

**HARIM CORPORATION AND  
ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2025 AND 2024**

**WITH INDEPENDENT AUDITORS' REPORT**

**Deloitte Anjin LLC**

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# Independent Auditors' Report

To the Shareholders and Board of Directors of  
Harim Corporation

## Audit Opinion

We have audited the consolidated financial statements of Harim Corporation and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as of December 31, 2025, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Korea International Financial Reporting Standards ("K-IFRS").

## Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing (KSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

## Occurrence of Revenue from Contracts with Customers

### A. Reason decided as a key audit matter

As described in Note 2 to the consolidated financial statements, the Group's primary business activities include broiler processing and feed manufacturing, and the Group recognizes revenue at the point in time when control of the goods is transferred to the customer. Revenue is a key performance indicator used in disclosing the Group's operating results and has a highly significant impact on information users. In particular, due to the nature of a business structure where frequent product deliveries occur through a nationwide distribution network and a large

number of customers, we determined that verifying the existence of transaction records regarding the occurrence of revenue is significant for the audit. Therefore, considering the potential risk of material misstatement related to the occurrence of revenue, we have identified this as a key audit matter.

## **B. How to address the key audit matters in Audit**

We conducted audit procedures including the below to respond to the key audit matters

- Review of the appropriateness of accounting policies regarding the Group's revenue recognition criteria and the actual occurrence of transactions.
- Obtain an understanding of the Group's accounting systems and revenue recognition processes, and evaluate the design and operating effectiveness of related internal controls.
- Perform the substantive procedures to verify the existence of contracts, identification of performance obligations and fulfillment of performance obligations for a sample of customers.
- Obtain the confirmation of accounts receivable balances for a sample of customers and perform the alternative procedures for non-responding customers.

## **Other Matters**

The consolidated financial statements of the consolidated company for the reporting period ending December 31, 2024, were audited by another auditor in accordance with the Korean Standards on Auditing (KSA). That auditor expressed an unqualified opinion in their audit report dated on March 13, 2025.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Kim Seung Yeol.

## **Deloitte Anjin LLC**

**Representative Director Hong Jong Seong**

10 Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul

March 13, 2026

This report is effective as of the audit report date (March 13, 2026). Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**HARIM CORPORATION AND  
ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2025 AND 2024**

“The accompanying consolidated financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, the Company.”

**Kim Hongkuk & Jeong Hoseok  
Representative Directors  
HARIM CORPORATION**

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**Harim Corporation and Its Subsidiaries**  
**Consolidated Statements of Financial Position**  
**As of December 31, 2025 & 2024**

(In thousands of Korean won)

Account	Note	December 31, 2025		December 31, 2024	
Assets					
I. Current Assets					
			360,588,451		323,593,327
Cash and cash equivalents	4,5,6,7	81,111,701		41,322,763	
Short-term financial instruments	4,5,6,7,8	3,000,000		16,627,000	
Trade and other receivables	4,5,6,11	114,665,648		96,766,369	
Other financial assets	4,5,6,8	1,078,000		-	
Inventories	9	97,715,266		121,956,358	
Biological assets	10	49,696,879		41,854,996	
Current tax assets	33	285,861		334,340	
Other current assets	12	13,035,096		4,731,501	
II. Non-current assets					
			494,797,404		509,193,672
Long-term financial instruments	4,5,6,7,8	-		22,512,169	
Long-term trade and other receivables	4,5,6,11	9,070,722		9,195,092	
Other non-current financial assets	4,5,6	10,979,058		-	
Investment properties	13	21,695,125		20,400,184	
Property, plant and equipment (PP&E)	14	422,726,230		430,655,337	
Intangible assets	16	7,170,505		1,963,718	
Other non-current assets	12	1,434,394		2,411,975	
Deferred tax assets	33	12,956,434		17,221,925	
Right-of-use assets	15	4,506,356		4,416,115	
Defined benefit assets	22	4,258,580		417,157	
Total Assets			855,385,855	832,786,999	
Liabilities					
I. Current Liabilities					
			499,137,854		526,150,282
Trade and other payables	4,5,6,17,36	119,333,370		107,315,630	
Short-term borrowings	4,5,6,18,23,35, 37	343,840,459		413,413,176	
Other financial liabilities	5,8,19	-		609,130	
Current lease liabilities	4,15,35	2,188,264		2,387,388	
Current tax liabilities	33	1,479,079		150,789	
Other current liabilities	20,28	32,291,547		2,256,984	
Provisions	21	5,135		17,185	
II. Non-current liabilities					
			30,806,117		17,562,103
Long-term trade and other payables	4,5,6,17	429,153		1,537,852	
Long-term borrowings	4,5,6,18,23,35, 37	25,999,000		14,080,000	
Non-current lease liabilities	4,15,35	2,279,973		1,777,509	
Defined benefit liability	22	21,766		166,742	

Account	Note	December 31, 2025		December 31, 2024	
Deferred tax liabilities	33	142,949		-	
Non-current lease liabilities	20	1,933,276		-	
Total Liabilities			529,943,971		543,712,385
Equity					
I. Shareholders' equity of the controlling company			325,441,884		288,340,923
Capital	24	53,104,851		53,104,851	
Capital surplus	24	256,293,544		256,293,544	
Other capital items	25	(35,339,819)		(35,222,666)	
Retained earnings	26	51,383,308		14,165,194	
II. Non-controlling interest	1			-	733,691
Total Equity			325,441,884		289,074,614
Total Liabilities and Equity			855,385,855		832,786,999

*The accompanied notes are an integral part of the consolidated financial statements.*

**Harim Corporation and Its Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2025 & 2024**

(In thousands of Korean won)

Account	Note	2025		2024	
I. Sales	27		1,439,995,096		1,285,418,842
II. Cost of sales	30		1,217,653,322		1,090,078,044
III. Gross profit			222,341,774		195,340,798
IV. Selling and administrative expenses	29,30		174,660,773		166,828,141
V. Operating profits	37		47,681,001		28,512,657
VI. Other income or loss	31		4,700,796		8,098,900
Other profits		6,309,405		9,824,903	
Other expenses		1,608,609		1,726,003	
VII. Financial income or loss	6,32		(5,489,048)		(55,297,526)
Financial income		30,070,025		17,810,047	
Financial expenses		35,559,073		73,107,573	
VIII. Income before tax			46,892,749		(18,685,969)
IX. Income tax expense (revenue)	33		8,154,553		(6,349,569)
X. Net Income (loss)			38,738,196		(12,336,400)
Other comprehensive income or loss			(1,402,314)		(3,959,901)
XI. Items not subsequently reclassified to profit or loss:					
Remeasurements of defined benefit plans	22,33	(1,315,996)		(4,063,062)	
XII. Items subsequently reclassified to profit or loss:					
Gain on translation of overseas operations		(86,318)		103,161	
Total comprehensive income			37,335,882		(16,296,301)
XIII. Attribution of net income or loss			38,738,196		(12,336,400)
Equity attributable to the owners of the controlling entity		38,536,311		(12,262,649)	
Non-controlling interest	1	201,885		(73,751)	
XIV. Attribution of total comprehensive income			37,335,882		(16,296,301)
Equity attributable to the owners of the controlling entity		37,131,797		(16,224,179)	
Non-controlling interest	1	204,085		(72,122)	
XV. Earnings per share for the equity of owners of the controlling company	34				
Basic earnings per share			363		(115)

*The accompanied notes are an integral part of the consolidated financial statements.*

**Harim Corporation and Its Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the Year Ended December 31, 2025**

(In thousands of Korean won)

Account	Equity of shareholders of the controlling entity					Non-controlling interest	Total
	Capital	Capital surplus	Other capital components	Retained earnings	Subtotal		
Balance at Jan 1, 2024	53,104,851	256,293,544	(35,325,827)	33,678,149	307,750,717	805,813	308,556,530
Total comprehensive income:							
Net Income	-	-	-	(12,262,649)	(12,262,649)	(73,751)	(12,336,400)
Remeasurements for net defined benefit plans	-	-	-	(4,064,691)	(4,064,691)	1,629	(4,063,062)
Loss on translation of overseas operations	-	-	103,161	-	103,161	-	103,161
Transactions with shareholders directly reflected in equity							
Dividend	-	-	-	(3,185,615)	(3,185,615)	-	(3,185,615)
Balance at Dec 31, 2024	53,104,851	256,293,544	(35,222,666)	14,165,194	288,340,923	733,691	289,074,614
Balance at Jan 1, 2025	53,104,851	256,293,544	(35,222,666)	14,165,194	288,340,923	733,691	289,074,614
Total comprehensive income:							
Net income	-	-	-	38,536,311	38,536,311	201,885	38,738,196
Remeasurements for net defined benefit plans	-	-	-	(1,318,197)	(1,318,197)	2,200	(1,315,997)
Gain on translation of overseas operations	-	-	(86,318)	-	(86,318)	-	(86,318)
Transactions with shareholders directly reflected in equity							
Adjustment for changes in subsidiary equity	-	-	(30,835)	-	(30,835)	(937,776)	(968,611)
Balance at Dec 31, 2025	53,104,851	256,293,544	(35,339,819)	51,383,308	325,441,884	-	325,441,884

*The accompanied notes are an integral part of the consolidated financial statements.*

**Harim Corporation and Its Subsidiaries**  
**Consolidated Statements of Cash Flows**  
For the Years ended December 31, 2025 & 2024

(In thousands of Korean won)

Account	2025	2024
I. Cash flow from operating activities	129,100,220	87,623,889
(1) Net income (loss)	38,738,196	(12,336,400)
(2) Adjustment	81,775,431	124,885,678
Income tax expense (profit)	8,154,553	(6,349,569)
Depreciation of PP&E	40,947,600	43,101,576
Depreciation of investment properties	728,598	687,062
Amortization of intangible assets	230,206	277,567
Depreciation of right-of-use assets	3,621,416	3,591,990
Depreciation of biological assets for production	21,501,244	21,910,401
Loss on valuation of inventories	1,238,453	1,356,369
Loss on valuation of derivatives	-	609,130
Gain on valuation of derivatives	(1,687,130)	-
Loss on transaction of derivatives	13,781,769	32,428,925
Gain on transaction of derivatives	(17,011,025)	(13,828,440)
Retirement benefits	8,917,674	8,056,877
Loss on disposal of PP&E	285,887	90,481
Gains on disposal of PP&E	(2,328,080)	(299,567)
Loss on disposal of intangible assets	-	1
Gain on disposal of investment property	-	(9,061)
Gain on disposal of right-of-use assets	(19,419)	(28,928)
Loss on disposal of right-of-use assets	72,040	-
Bad debt expenses	135,370	362,068
Interest income	(2,766,884)	(3,227,065)
Interest expense	17,585,607	21,037,215
Changes in fair value of biological assets held for consumption	(6,869,511)	(3,457,037)
Gain on foreign currency translation	(375,794)	(9,541)
Loss on foreign currency translation	2,454,441	10,001,589
Gain on foreign currency transaction	(7,772,159)	(194,303)
Loss on foreign currency transaction	1,037,199	8,771,619
Greenhouse gas emission liabilities (reversal)	155,492	6,319
Gain on valuation of financial assets	(254,108)	-
Loss on valuation of financial assets	11,992	-
(3) Changes in net working capital	25,592,148	(3,361,833)
Decrease (increase) in trade receivables	(30,872,115)	(6,500,504)
Decrease (increase) in other receivables	8,106,526	(7,829,251)
Decrease (increase) in inventories	17,135,034	5,478,969
Decrease (increase) in biological assets for consumption	3,184,804	(448,257)
Decrease (increase) in other assets	(669,197)	5,803,827
Increase (decrease) in trade payables	21,386,342	10,304,766
Increase (decrease) in other payables	(5,115,474)	6,188,806
Increase (decrease) in other liabilities	27,123,608	(2,105,085)
Payment of severance pay	(8,894,058)	(7,382,877)
Decrease (increase) in plan assets	(5,793,322)	(6,872,227)
(4) Receipt of interest	2,617,515	2,290,781
(5) Payment of interest	(17,854,131)	(22,461,201)
(6) Income tax payment	(1,768,939)	(1,393,136)
II. Cash flow from investing activities	(32,181,458)	(85,198,009)
Decrease in short-term financial instruments	18,627,000	28,170,000
Increase in short-term financial instruments	(5,000,000)	(17,127,000)

Account	2025		2024	
Decrease in short-term security deposits	14,818,100		5,723,657	
Increase in short-term security deposits	(11,347,115)		(29,245,052)	
Decrease in short-term loans	5,029,775		31,843	
Increase in short-term loans	(6,031,300)		(5,021,980)	
Decrease in long-term financial instruments	15,371,043		147,882	
Increase in long-term financial instruments	(3,009,738)		(15,315,993)	
Decrease in long-term deposit	452,451		1,750,528	
Increase in long-term deposit	(205,217)		(3,169,728)	
Decrease in amortized cost financial assets	-		2,110	
Net settlement amount of derivatives	(39,379)		477,100	
Disposal of investment properties	-		110,000	
Disposal of PP&E	3,803,267		1,033,659	
Receipt of government subsidy	212,866		166,860	
Acquisition of PP&E	(39,008,270)		(28,811,506)	
Acquisition of intangible assets	(3,557,837)		(191,266)	
Acquisition of investment properties	(114,534)		-	
Increase in biological assets for production	(22,113,370)		(23,929,123)	
Acquisition of financial assets at FVTPL	(69,200)		-	
<b>III. Cash flow from financing activities</b>		<b>(57,120,826)</b>		<b>(5,141,259)</b>
Increase in short-term borrowings	302,801,886		275,201,359	
Repayment of short-term borrowings	(317,089,645)		(263,594,225)	
Repayment of current portion of long-term liabilities	(41,812,500)		(16,784,000)	
Repayment of current portion of bonds	(20,000,000)		-	
Increase in long-term borrowings	27,809,000		6,200,000	
Repayment of long-term borrowings	(4,877,500)		-	
Payment of dividends.	-		(3,185,615)	
Repayment of lease liabilities	(2,983,457)		(2,978,778)	
Acquisition of investments in subsidiaries	(968,610)		-	
<b>IV. Effect of exchange rate fluctuation on cash and cash equivalents</b>		<b>(8,998)</b>		<b>15,584</b>
<b>V. Increase in cash and cash equivalents (I+II+III+IV)</b>		<b>39,788,938</b>		<b>(2,699,795)</b>
<b>VI. Cash and cash equivalents at beginning of the year</b>		<b>41,322,763</b>		<b>44,022,558</b>
<b>VII. Cash and cash equivalents at end of the year</b>		<b>81,111,701</b>		<b>41,322,763</b>

*The accompanied notes are an integral part of the consolidated financial statements.*

## Notes to the Consolidated Financial Statements

For the Years ended December 31, 2025 and 2024

### Harim Corporation and Its Subsidiaries

#### 1. General Information

##### 1.1 Overview of the Controlling Entity

Harim Corporation (hereinafter referred to “Controlling Entity”) was established by spin-off of Harim Corporation (before spin-off) into Harim Holdings (Surviving entity after spin-off) to engage in the investment division and the new corporation, the controlling entity to engage in the chicken processing and fee manufacturing business with a record date of January 1, 2011. The consolidated financial statements for the reporting period ending on December 31, 2025 consist of the controlling entity and its subsidiaries (collectively, the "Group").

After the spin-off, the shares of the controlling entity have been re-listed on the KOSDAQ market in May 2, 2011 and the major shareholders as of the end of current year consist of Harim Holdings Corp. (57.37%) and others.

##### 1.2 Consolidated Subsidiaries

The consolidated subsidiaries as of December 31, 2025 and 2024 are as follows:

Subsidiary	Location	Major business activities	Equity ratio owned by the controlling entity					
			Dec 31, 2025			Dec 31, 2024		
			Controlling entity	Subsidiary	Total	Controlling entity	Subsidiary	Total
HBC Agricultural	Iksan, Jeollabuk-do	Poultry	100.00%	-	100.00%	90.00%	-	90.00%
SingGreen FS Co., Ltd.	Iksan, Jeollabuk-do	Poultry	100.00%	-	100.00%	100.00%	-	100.00%
Singgreen Vina Co., Ltd	Vietnam	Distribution	-	100.00%	100.00%	-	100.00%	100.00%

### 1.3 Summarized Financial Information of Subsidiaries

Summarized financial information of consolidated subsidiaries for the years ended December 31, 2025 and 2024, are as follows.

(In thousands of Korean won)						
Item	2025			2024		
	HBC Agricultural	SingGreen FS	Singgreen Vina Co., Ltd.	HBC Agricultural	SingGreen FS	Singgreen Vina Co., Ltd.
Assets	10,133,084	40,856,068	2,805,434	8,336,565	44,908,048	1,951,376
Liabilities	178,252	8,754,993	946,978	547,394	13,802,690	357,685
Equity	9,954,832	32,101,075	1,858,456	7,789,171	31,105,358	1,593,691
Sales	1,396,852	52,174,628	21,119,190	4,461,413	55,553,737	22,882,067
Operating income	(58,693)	728,065	411,390	(1,339)	6,368,307	390,055
Net income	2,148,070	654,880	351,083	(258,327)	6,007,162	277,276
Total comprehensive income	2,165,661	995,717	264,765	(242,041)	5,786,977	380,437

### 1.4 Information on Non-controlling Interests

Information on non-controlling interests of the Group for the year ended December 31, 2024, is as follows.

(In thousands of Korean won)	
Item	2024
	HBC Agricultural
Non-controlling equity	10%
Current assets	4,293,480
Non-current assets	4,043,085
Current Liabilities	377,130
Non-current liabilities	170,264
Net assets	7,789,171
Carrying amount of non-controlling interests	733,690
Sales	4,461,413
Net Income	(258,327)
Other comprehensive income	16,286
Total comprehensive income	(242,041)
Net income allocated to non-controlling interests	(73,751)
Total comprehensive income allocated to non-controlling interests	(72,122)
Cash flow from operating activities	1,211,219
Cash flow from investing activities	(1,320,260)
Cash flow from financing activities	(63,882)
Net change in cash and cash equivalents	(172,923)

The Group acquired an additional 10% residual interest in HBC Agricultural during the current period. Accordingly, as of the end of the reporting period, the Group's ownership interest in the subsidiary is 100%, and no non-controlling interests remain.

## **2. Basis of Preparation of Financial Statements and Significant Accounting Policies**

### **2.1 Basis of Preparation of Financial Statements**

The consolidated financial statements of the Group have been prepared in accordance with Korean International Financial Reporting Standards (“K-IFRS”). K-IFRS refers to the standards and interpretations issued by the International Accounting Standards Board (“IASB”) that have been adopted by the Republic of Korea.

The consolidated financial statements have been prepared on the basis of historical cost except for the following items.

- Derivatives measured at fair value
- Biological assets for consumption measured at fair value less the cost of sales
- Defined benefit plans and plan assets measured at fair value

K-IFRS permits the use of significant accounting estimates in the preparation of financial statements and requires the judgment of the management in applying accounting policies. Areas requiring more complex or higher levels of judgment, or where significant assumptions and estimates are required, are specified in Note 3.

The financial statements of the Group were approved by the Board of Directors on February 11, 2026, and which are subject to final approval at the general meeting of shareholders to be held on March 26, 2026.

### **2.2 Changes in Accounting Policies and Disclosures**

#### **2.2.1 Enacted and/or Amended Standards and Interpretations adopted by the Group**

The Group has newly applied the following enacted and/or amended standards and interpretations for the accounting period beginning on January 1, 2025.

(1) Amendments to K-IFRS No. 1021 ‘The Effects of Changes in Foreign Exchange Rates’ and K-IFRS No. 1101 ‘First-time Adoption of K-IFRS’ – Lack of Exchangeability

These amendments define the circumstances in which a currency is exchangeable into another currency for accounting purposes and clarify the requirements for assessing exchangeability, estimating the spot exchange rate when exchangeability is lacking, and related disclosures. If a currency is not exchangeable, the spot exchange rate must be estimated at the measurement date, using either an observable exchange rate without adjustment or other estimation techniques. The adoption of these amendments has no material impact on the consolidated financial statements.

(2) Amendments to K-IFRS No. 1117 ‘Insurance Contracts’ – Disclosures on Lapse Rates for Non-dividend/Low-surrender Value Insurance Products

An additional paragraph has been added to require disclosure of the differences and their impact on the financial statements if the estimation techniques for inputs used to measure insurance contracts differ from the principle-based techniques required by insurance regulations, provided such information is deemed relevant and material to users. These amendments are effective from December 31, 2025, and apply to the first fiscal year ending after the effective date. They remain in effect until the fiscal year that includes December 31, 2029. The adoption of these amendments has no material impact on the consolidated financial statements.

## 2.2.2 Enacted and/or Amended Standards and Interpretations not applied by the Group

The following newly enacted or amended standards and interpretations have not been applied, as their effective dates have not yet arrived.

(1) Amendments to K-IFRS No. 1109 'Financial Instruments' and K-IFRS No. 1107 'Financial Instruments: Disclosures' – Classification and Measurement of Financial Instruments

- Derecognition of financial liabilities settled through electronic transfer

These amendments permit financial liabilities (or a portion of financial liabilities) settled through an electronic payment system to be considered extinguished (and thus derecognized) before the settlement date, provided specific criteria are met. If this accounting policy is selected, it should be applied consistently to all settlements made through the same electronic payment system.

- Classification of financial assets

- Contractual terms consistent with a basic lending arrangement

These amendments provide guidance on how to assess whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to support entities in applying the contractual cash flow characteristics assessment requirements to financial assets with features linked to Environmental, Social, and Governance (ESG) factors.

- Non-recourse financial assets

These amendments supplement the explanation of the term 'non-recourse' clarifying that a financial asset has non-recourse characteristics particularly when the entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specific assets.

- Contractually linked instruments

These amendments clarify the characteristics that distinguish contractually linked instruments from other transactions. Specifically, they emphasize that in such instruments, the priority of payments to holders of multiple contractually linked instruments (tranches) is established through a waterfall payment structure, which results in the concentration of credit risk and the disproportionate allocation of losses among different tranche holders. Furthermore, the amendments explain that not all multi-debt instrument transactions meet the requirements for multiple contractually linked instrument transactions and clarify that the underlying pool of assets may include financial assets that do not fall within the scope of the classification requirements of this standard.

- Disclosures

- Investments in equity instruments designated at FVOCI

The requirements of K-IFRS No. 1107 have been amended to require disclosure of the fair value gains or losses presented in other comprehensive income during the reporting period, while separately presenting fair value gains or losses related to investments derecognized during the period and those related to investments held at the end of the reporting period.

- Contractual terms that could change the timing or amount of contractual cash flows

These amendments require disclosure of contractual terms under which the timing or amount of contractual cash flows could change based on the occurrence (or non-occurrence) of a contingent event that is not directly related to changes in basic lending risks and costs. This requirement applies to each class of financial assets measured at amortized cost or FVOCI, and each class of financial liabilities measured at amortized cost.

These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. If an entity elects to early adopt these amendments, it is required to apply either.

- All amendments simultaneously and disclose that fact; or
- Only the amendments regarding the classification of financial assets and disclose that fact.

Except for specified exceptions, these amendments must be applied retrospectively in accordance with K-IFRS No. 1008. The Group is currently reviewing the impact of these amendments on the consolidated financial statements.

(2) Amendments to K-IFRS No. 1101 'First-time Adoption of K-IFRS' – Application of Hedge Accounting.

These amendments specify that the conditions for applying hedge accounting should refer to specific paragraphs of K-IFRS No. 1109 'Financial Instruments' and have aligned the related terminology. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Group is currently reviewing the impact of these amendments on the consolidated financial statements.

(3) Amendments to K-IFRS No. 1107 'Financial Instruments: Disclosures'

- Gains and losses on derecognition

These amendments refer to K-IFRS No. 1113 'Fair Value Measurement' regarding fair value measurement and have aligned the related terminology.

- Disclosures when the difference between fair value and transaction price is not recognized in profit or loss at initial recognition

These amendments improve the consistency of terminology within the standard by aligning terms between paragraphs of the Implementation Guidance of K-IFRS No. 1107.

- Credit risk disclosures

These amendments clarify that the Implementation Guidance does not explain all requirements of the standard and have streamlined the content related to credit risk disclosures.

(4) Amendments to K-IFRS No. 1109 'Financial Instruments' – Accounting for Derecognition of Lease Liabilities and Definition of Transaction Price

These amendments clarify that gains or losses arising from the derecognition of a lease liability must be recognized in profit or loss. Additionally, the definition of 'transaction price' has been amended to be consistent with K-IFRS No. 1115. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Group is currently reviewing the impact of these amendments on the consolidated financial statements.

(5) Amendments to K-IFRS No. 1110 'Consolidated Financial Statements' – Determination of De Facto Agents

These amendments resolve inconsistencies between paragraphs of the standard by revising the wording in K-IFRS No. 1110 regarding the judgment of a de facto agent and clarify that a de facto agent relationship is one example where judgment is required. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Group is currently reviewing the impact of these amendments on the consolidated financial statements.

(6) Amendments to K-IFRS No. 1007 'Statement of Cash Flows' – Cost Method

Through these amendments, the term 'cost method' has been deleted and replaced with 'cost.' These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Group is currently reviewing the impact of these amendments on the consolidated financial statements.

(7) Amendments to K-IFRS No. 1109 'Financial Instruments' and K-IFRS No. 1107 'Financial Instruments: Disclosures' – Contracts for Electricity Dependent on Nature

- Amendments to K-IFRS No. 1109 'Financial Instruments'

- The 'own-use' requirements of K-IFRS No. 1109 have been amended to include factors to be considered when applying the standard to contracts for the purchase and delivery of renewable electricity where the source of production is dependent on nature.
- The hedge accounting requirements of K-IFRS No. 1109 have been amended to allow the following when using renewable electricity contracts dependent on nature that meet specified characteristics as hedging instruments.
  - Designating a variable quantity of expected electricity transactions as a hedged item, provided specific requirements are met.

- Measuring the hedged item using the same quantity assumptions as those used for the hedging instrument

- Amendments to K-IFRS No. 1107 'Financial Instruments: Disclosures' and K-IFRS No. 1119 'Subsidiaries without Public Accountability: Disclosures'

- K-IFRS No. 1107 and No. 1119 have been amended to introduce disclosure requirements regarding electricity contracts dependent on nature that meet specified characteristics.

These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. Amendments regarding the own-use exception are to be applied retrospectively in accordance with K-IFRS No. 1008, reflecting the facts and circumstances at the date of initial application. Amendments regarding hedge accounting requirements are to be applied prospectively to new hedging relationships designated after the date of initial application. The Group is currently reviewing the impact of these amendments on the consolidated financial statements.

(8) Enactment of K-IFRS No. 1118 'Presentation and Disclosures in Financial Statements'

K-IFRS No. 1118 replaces K-IFRS No. 1001. K-IFRS No. 1118 carries forward many requirements of K-IFRS No. 1001 without change while adding new requirements. Some paragraphs of K-IFRS No. 1001 have been moved to K-IFRS No. 1008 and No. 1107, and K-IFRS No. 1007 and No. 1033 have been partially amended.

K-IFRS No. 1118 introduces the following new requirements.

- Presentation of specified categories and defined subtotals in the statement of profit or loss
- Provision of disclosures related to Management-defined Performance Measures (MPMs) within the notes to the financial statements
- Improvements to aggregation and disaggregation

The new standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The amendments to K-IFRS No. 1007 and No. 1033, as well as the amended K-IFRS No. 1008 and No. 1107, will be effective at the time K-IFRS No. 1118 is applied. K-IFRS No. 1118 requires retrospective application and provides specific transitional provisions. The Group is currently reviewing the impact of these amendments on the consolidated financial statements.

## 2.3 Significant Accounting Policies

The significant accounting policies applied by the Group in preparation of its consolidated financial statements pursuant to the K-IFRS are included below. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except for those as described in Note 2.

### (1) Consolidation

#### ① Business combinations

The Group applies the acquisition method to account for business combinations where the acquired set of activities and assets meets the definition of a business and is not a combination of entities or businesses under common control. To determine whether a particular set of activities and assets is a business, the Group evaluates whether the acquired set of activities and assets includes, at least, the ability to generate outputs, inputs and a substantive process.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. If a bargain purchase gain arises, it is recognized immediately in profit or loss. Acquisition-related costs are recognized as expenses in the period in which they are incurred and services are rendered, except for the carrying amount of debt securities and equity securities issued in accordance with K-IFRS No. 1032 and K-IFRS No. 1109.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value on the acquisition date. Contingent consideration classified as equity is not remeasured, and subsequent settlements are accounted for within equity. If contingent consideration is not classified as equity, subsequent changes in the fair value of contingent consideration are recognized in profit or loss.

In the case of share-based compensation of the acquirer exchanged for the compensation held by the employees of the acquiree, all or part of the market-based measurement of the acquirer's replacement compensation is included in the measurement of the consideration transferred in the business combination. The portion of the replacement compensation, which is part of the consideration transferred to the acquiree, and the portion of the remuneration for services rendered after the business combination, are determined by comparing the market-based measurement of the acquiree's compensation with the replacement compensation for services rendered before the business combination.

#### ② Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### ③ Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### ④ Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### ⑤ Elimination of intra-group transactions

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the

investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

#### ⑥ Business combinations under common control

For combinations of entities or businesses under common control, assets acquired and liabilities assumed are recognized at the carrying amounts on the consolidated financial statements of the top-level parent company. The Group adds or subtracts the difference between the consideration transferred and the carrying amount of the acquired net assets from capital surplus.

#### (2) Cash and Cash Equivalents

The Group classifies investment assets with maturities of (3) months or less from the acquisition date as cash and cash equivalents. Equity instruments are excluded from cash equivalents, unless they are, in substance, cash equivalents, for example, in case of preferred shares when they have a short maturity with a specified redemption date.

#### (3) Biological Assets

##### ① Biological assets for consumption

Biological assets for consumption are measured at fair value less costs to sell which is the fair value less estimated cost of sales at the time of initial recognition and at the end of each reporting period. In addition, crops harvested from biological assets are measured and evaluated at fair value less costs to sell at the time of harvest.

Valuation gains and losses arising from changes in the fair value less costs to sell of biological assets for consumption are reflected in profit or loss in the period in which they arise.

##### ② Biological assets for production

Biological assets for production are measured at acquisition cost less accumulated depreciation and accumulated impairment losses, as there is no active market or comparable market prices for such assets, transactions are infrequent, and it is difficult to reliably estimate expected cash flows and current market interest rates.

Biological assets for production are depreciated using the straight-line method over the useful life of 10 months, which is the breeding period, with a residual value of zero ("0") from the time when they can be spawned.

#### (4) Inventories

The unit cost of inventories is determined by the gross average method and acquisition cost includes purchase costs, conversion costs and other costs necessary to prepare inventories in a ready-to-use condition. Fixed manufacturing overhead costs included in the cost of products or work-in-process are allocated based on the normal operating level of production facilities.

Inventories are measured at the lower of acquisition cost or net realizable value. Loss on valuation of inventories written down to net realizable value and all losses on spoilage are recognized as expenses in the period in which the write-down or spoilage occurred. Reversal of loss on valuation of inventories due to an increase in the net realizable value of inventories is deducted from the cost of sales for inventories recognized as an expense in the period in which the reversal occurred.

#### (5) Non-derivative Financial Assets

##### ① Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset excluding trade receivables without a significant financing component is initially measured at fair value plus, for an item not at financial assets measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

## ② Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortized cost, debt instruments measured at fair value through other comprehensive income, equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss.

- It is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A debt instrument is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss.

- It is held within a business model whose objective is achieved by both collection contractual cash flows and selling financial assets, and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably select to present subsequent changes in the investment's fair value in other comprehensive income. However, once selected, it cannot be cancelled. This selection is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. However, once elected, it cannot be cancelled.

The Group evaluates the objectives of business model held at the portfolio level of financial assets because it best reflects how the business is managed and information is provided to management. Such information considers followings:

- Accounting policies and objectives specified for the portfolio and the actual operation of these policies which include management's strategies focused on obtaining a nominal interest income, maintaining a certain level of interest rate, matching the duration of the liabilities to finance the financial asset with the duration of the financial asset, and outflow or realization of the expected cash flow through sale of the assets.
- Method of evaluating the performance of financial assets held in the business model and reporting the evaluation to key management
- Risks that affect the performance of the business model (and financial assets held in the business model) and how those risks are managed
- Compensation method for management (for example, based on the fair value of the assets under management or based on the contractual cash flows received)
- Frequency, amount, timing, reason, and forecast of future sales activities of financial assets in the past period

For this purpose, a transaction that transfers a financial asset to a third party, which does not qualify for derecognition, is not considered as a sale.

Portfolios of financial assets that meet the definition of trading or whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

Financial assets: Assessment of whether contractual cash flows consist only of principal and interest.

"Principal" is defined as the fair value of a financial asset on initial recognition. Interest consists of consideration for the

time value of money, consideration for the credit risk associated with the principal balance in a specified period and other basic lending risks and considerations for costs (e.g., liquidity risk and operating costs) as well as profits.

When assessing whether contractual cash flows consist solely of principal and interest, the Group considers the contractual terms of the instrument. If a financial asset contains a contractual condition that changes the timing or amount of contractual cash flows, it should be determined whether the contractual cash flows that would arise over the life of the instrument because of the contractual condition consist solely of payment of principal and interest.

In evaluating this, the Group considers:

- Conditional circumstances that change the amount or timing of cash flows
- Provisions to adjust contractual nominal interest rates including floating interest rate characteristics
- Early repayment characteristics and maturity extension characteristics
- Contractual conditions limiting the Group's claim to cash flows from specific assets (e.g., non-recourse)

If the early redemption amount substantially represents the outstanding principal and interest over the remaining principal and includes reasonable compensation for early termination of the contract, the early redemption characteristic is consistent with the conditions for paying the principal and interest on a specific date.

In addition, for financial assets acquired at a significant discount or premium to the contractual nominal amount, the early redemption amount substantially represents the contractual nominal value and contractual interest accrued (but not paid) (in this case, it is necessary for early termination of the contract). If the fair value of the early redemption characteristic is insignificant at the time of initial recognition of a financial asset, it is determined that these conditions are satisfied.

Financial assets: Subsequent measurement and profit or loss

Financial assets measured at FVPL	These assets are subsequently measured at fair value. Net income including interest or dividend income is recognized in profit or loss.
Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment loss. Interest income, gain/loss on foreign currency translation and impairment losses are recognized in profit or loss. Gains or losses on derecognition are recognized in profit or loss.
Debt instruments measured at FVOCI	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method and gain or loss on foreign currency translation and impairment losses are recognized in profit or loss. Other net income is recognized in other comprehensive income. Gain or loss on derecognition is reclassified to profit or loss from accumulated other comprehensive income.
Equity instruments measured at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized in profit or loss unless there is an explicit recovery of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

### ③ Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the contractual rights to receive the cash flows from the financial asset are transferred and the Group has substantially transferred all the risks and rewards of ownership of the transferred financial asset, or when the Group has neither retained nor transferred substantially all the risks and rewards of ownership and has not retained control of the financial asset.

If the Group transfers assets recognized in the consolidated statements of financial position but retains most of the risks and rewards of ownership of the transferred assets, the transferred assets are not derecognized.

### ④ Offset

The Group offsets financial assets and liabilities only when the Group currently has a legally enforceable right of set-off

against the recognized assets and liabilities and intends to settle the difference or settle the liabilities simultaneously with the realization of the assets. and it is presented as a net amount in the consolidated statements of financial position.

## (6) Derivative Financial Instruments

The Group holds derivative financial instruments to hedge its foreign exchange and interest rate exposures. Embedded derivatives are accounted for separately and separated from the main contract when the main contract is not a financial asset and certain requirements are met.

Derivatives are initially recognized at fair value initially. After initial recognition, it is measured at fair value and changes are generally recognized in profit or loss.

The Group designates certain derivatives and non-derivative financial liabilities as hedging instruments to hedge the volatility of cash flows related to future forecast transactions that are highly likely to arise from fluctuations in exchange rates and interest rates.

At the inception of the hedge, the Group documents the objectives and strategies for risk management for the hedge. The Group documents the economic relationship between the hedged item and the hedging instrument, including whether changes in the cash flows of the hedged item and the hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform.

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform. The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument.

- to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or;
- when the hedging relationship is discontinued.

For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

### ① Cash flow hedging

When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in the fair value of the derivative is recognized in other comprehensive income and accumulated as hedging reserve. The effective part of the change in the fair value of the derivatives recognized in other comprehensive income is limited to the cumulative change in the fair value of the hedged item, determined based on the present value, from the inception of the hedge. Ineffective parts of changes in the fair value of derivatives are recognized immediately in profit or loss.

The Group designates only changes in the fair value of the spot component of a forward exchange transaction as a hedging instrument in a cash flow hedging relationship. Changes in the fair value of the forward component of a forward exchange transaction are separately accounted as hedging costs and recognized in the cost of hedging in equity.

If the hedged forecast transaction is subsequently recognized in a non-financial asset such as inventories, the accumulated hedge reserve and the cost of the hedging are included directly in the initial cost of the non-financial asset when the non-financial asset is recognized.

For other hedged transactions, the accumulated hedging reserves and the hedging cost are reclassified to profit or loss in

the same period or in the period in which the hedged expected future cash flows affect profit or loss.

Hedging accounting is discontinued prospectively when the hedging no longer meets the criteria or when the hedging instrument is sold, extinguished, terminated or exercised.

If the non-financial item is a recognized hedging transaction, when cash flow hedge accounting is discontinued, the accumulated hedge reserve and the cost of the hedging remains in equity items until the non-financial item is initially recognized and is included in the cost of the non-financial item. In the case of a cash flow hedge that does not fall under these circumstances, the amount is reclassified as hedge reserve by reclassification adjustment during the period in which the hedged future expected cash flows affect profit or loss and the cost is reclassified as profit or loss. When the hedged future cash flows are no longer expected to occur, the accumulated cash flow hedge reserve and the cost of the hedge are immediately reclassified to profit or loss.

## ② Net investment hedging

When a derivative or non-derivative financial liability is designated as a hedging instrument for a net investment in a overseas operation, the effective part of the change in the fair value of the hedging instrument for a derivative instrument, and the effective part of the gain or loss on foreign currency translation for a non-derivative instrument is recognized in other comprehensive income and presented as transaction reserve in equity. Ineffective parts are recognized immediately in profit or loss.

The amount recognized in other comprehensive income is reclassified to profit or loss through reclassification adjustment at the time of disposal of the overseas operation site.

## (7) Impairment of Financial Assets

### ① Financial instruments and contract assets

The Group recognizes allowance for expected credit losses on the following assets:

- financial assets measured at amortized cost

With the exception of the following financial assets, which are measured in 12-month expected credit loss, the Group measures the allowance for loss at an amount equivalent to lifetime expected credit loss.

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank deposits for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The loss allowance for trade receivables and contract assets is always measured at the amount equivalent to the lifetime expected credit loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk of financial assets increases significantly when the number of overdue days exceeds 90 days.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security;
- the number of overdue days of financial assets exceeds 365 days.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the

reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

## ② Measurement of expected credit losses

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

## ③ Credit-impaired financial assets

At the end of each reporting period, the Group assesses whether financial assets measured at amortized cost and debt instrument measured at fair value through other comprehensive income are credit-impaired. A financial asset is deemed credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence of credit impairment of financial assets includes observable data as follows:

- significant financial difficulty of the issuer or borrower
- a breach of contract such as a default or delinquency more than 90 days
- concessions granted due to economic or contractual reasons related to the borrower's financial difficulty that would not otherwise be considered
- a high possibility that the borrower will enter bankruptcy or other financial reorganization
- disappearance of an active market for the financial assets due to financial difficulties

## ④ Presentation of allowance for ECL in the consolidated statements of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

## ⑤ Write-off

A financial asset is written off when there is no reasonable expectation of recovery of all or part of its contractual cash flows. For individual customers, the Group writes off the carrying amount based on past experience with the recovery of similar assets, and for corporate customers, the timing and amount of each write-off are evaluated individually by assessing whether there is a reasonable expectation for recovery. The Group has no expectation that the write-off will be significantly recovered. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

## (8) Property, Plant and Equipment (PP&E)

Property, plant and equipment are initially measured and recognized at cost. The cost of property, plant and equipment includes costs directly attributable to bringing the asset to the location and condition necessary to operate it in the manner intended by management and the estimated cost of dismantling, removing the assets or restoring the site.

After initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Among PP&E, land is not depreciated. Other property, plant and equipment are amortized using the straight-line method, which best reflects the expected consumption patterns of future economic benefits inherent in the asset over the useful life as shown below for the amount obtained by deducting the residual value from the acquisition cost of the asset.

If the cost of a part of property, plant and equipment is significant compared to the total cost of the property, plant and equipment, such a part is separately depreciated.

Gain or loss on the derecognition of property, plant and equipment is determined as the difference between the net sale

amount and the carrying amount, and the difference is recognized in profit or loss.

Estimated useful lives for the years ended December 31, 2025 and 2024 are as follows.

Account	Estimated useful life	Account	Estimated useful life
Building	20 ~ 40 years	Facility and equipment	12 years
Structures	20 ~ 40 years	Vehicles	5 years
Machinery	8 ~ 12 years	Others	5 years

At the end of each reporting period, the Group reexamines the residual value, useful life and depreciation method of an asset, and if it is judged appropriate to change it as a result of the review, it is treated as a change in accounting estimates.

Subsequent expenditure is capitalized only when it is probable that future economic benefits related to the expenditure will flow to the Group.

#### (9) Intangible Assets

Intangible assets are initially measured at cost, and after initial recognition, the carrying amount is recognized at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are amortized using the straight-line method over their useful lives of (5) years with a residual value of zero ("0") from the time they are available for use. However, as there are no foreseeable limits to the periods over which club memberships are expected to be available for use, this intangible asset is determined as having an indefinite useful life and not amortized.

Amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at the end of each reporting period. Intangible assets are treated as change in accounting change if is proper to change by reviewing whether the evaluation that the useful lives of intangible assets are indefinite and it is determined that the change is reasonable.

Subsequent expenses are capitalized only when the future economic benefits belonging to the specific asset concerned increase, and other expenses, including internally generated goodwill and brand names, are expensed immediately upon occurrence.

#### (10) Government Grants

Government grants are recognized only when the Group has reasonable assurance that it will receive the grant and comply with the conditions incidental to the grant.

The Group receives a government grant subject to the basic condition that it be used to acquire or construct a non-current asset. When calculating the carrying amount of the asset, the government grant is deducted and recognized in profit or loss over the useful life of the depreciable asset.

#### (11) Investment property

Property held to earn rentals or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost. Transaction costs are included in the initial measurement. Subsequently, investment property is carried at depreciated cost less any accumulated impairment losses.

Subsequent costs are recognized in the carrying amount of investment property at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing are recognized in profit or loss as incurred.

Among investment property, land is not depreciated, and investment property excluding land, is depreciated using the

straight-line method over 20 ~ 40 years depending on the economic useful life.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted, if appropriate. The change is accounted for as a change in an accounting estimate.

#### (12) Impairment of Non-Financial Assets

All non-financial assets, except for assets arising from employee benefits, biological assets, inventories, and deferred tax assets, are reviewed at the end of each reporting period for any indications of impairment and, if there is any such indication, the recoverable amount of the asset is estimated. However, goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, irrespective of whether there is any indication of impairment, are tested for impairment annually by comparing their recoverable amount to their carrying amount.

Management estimates the recoverable amount of an individual asset. If it is impossible to measure the individual recoverable amount of an asset, then management estimates the recoverable amount of cash-generating unit (“CGU”). The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. The value-in-use is estimated by applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimated future cash flows have not been adjusted, to the estimated future cash flows expected to be generated by the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

Goodwill acquired in a business combination is allocated to each CGU that is expected to benefit from the synergies arising from the goodwill acquired. Any impairment identified at the CGU level will first reduce the carrying amount of goodwill and then be used to reduce the carrying amount of the other assets in the CGU on a pro rata basis. Except for impairment losses in respect of goodwill which are never reversed, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### (13) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for considerations.

##### ① As a lessee

At inception or reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, the Group accounts for the non-lease component related to the lease component as a single lease component by applying the practical expedient that does not separate the non-lease component for real estate leases.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined the Group’s

incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the followings:

- fixed payments (including the fixed lease payments);
- variable lease payments that depend on an index or a rate, which is measured the index or rate (interest rate) of the lease commencement date initially;
- amounts expected to be payable under a residual value guarantee; and
- exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. A lease liability is a change in the future lease payments due to a change in an index or rate (interest rate) and remeasured in the event of a change in the amount expected to be paid under the residual value guarantee, a change in the evaluation of whether to exercise purchase, extension or termination options, or a change in the actual fixed lease payment.

When the lease liability is remeasured, the related right-of-use asset is adjusted. Of the carrying amount of the right-of-use asset decreases to zero (“0”), the remeasurement amount is recognized in profit or loss.

In the consolidated statement of financial position, right-of-use assets that do not meet the definition of investment property are presented separately from tangible assets, and lease liabilities are presented as ‘other financial liabilities’.

Short-term leases and small-value underlying asset leases

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases not exceeding 12 months, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## ② As a lessor

At inception or the effective date of a modification that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies K-IFRS No. 1115 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in K-IFRS No. 1109 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment of the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term.

#### (14) Non-derivative Financial Liabilities

The Group classifies non-derivative financial liabilities into financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost in accordance with the substance of the contractual arrangement and the definitions of financial liabilities and recognizes financial liabilities in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial liability.

##### ① Financial liabilities measured at fair value through profit or loss

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Upon initial recognition, transaction costs that are directly attributable to the acquisition are recognized in profit or loss as incurred.

##### ② Other financial liabilities

Non-derivative financial liabilities other than financial liabilities measured at fair value through profit or loss are classified as financial liabilities measured at amortized cost. At the date of initial recognition, financial liabilities measured at amortized cost are measured at fair value after deducting transaction costs that are directly attributable to the acquisition. Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method subsequently to initial recognition.

##### ③ Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

#### (15) Employee Benefits

##### ① Short-term employee benefits

Short-term employee benefits are employee benefits that are due to be settled within 12 months after the end of the period in which the employees render the related service. When an employee has rendered service to the Group during an accounting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as profit or loss.

##### ② Other long-term employee benefits

Other long-term employee benefits include employee benefits that are settled beyond 12 months after the end of the period in which the employees render the related service and are calculated at the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods, less the fair value of any related assets. Any actuarial gains and losses are recognized in profit or loss in the period in which they arise.

##### ③ Retirement benefit: Defined benefit plan

For defined contribution plans, when an employee has rendered service to the Group during a period, the Group recognizes the contribution payable to a defined contribution plan in exchange for that service as an accrued expense, after deducting any contributions already paid. If the contributions already paid exceed the contribution due for service before the end of the reporting period, the Group recognizes that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

##### ④ Retirement benefits: Defined benefit plans

As of the end of the reporting period, defined benefit liabilities related to defined benefit plans are recognized by deducting the fair value of plan assets from the present value of the defined benefit obligations.

The calculation is performed annually by an independent actuary using the projected unit credit method. When the fair value of plan assets exceeds the present value of the defined benefit obligation, the Group recognizes an asset, to the extent of the present value of the total of cumulative any economic benefits available in the form of refunds from the plan or reduction in the future contributions to the plan.

Remeasurements of net defined benefit liabilities, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments, net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss in curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### (16) Provisions

A provision is a present obligation (legal or constructive obligation) that exists as a result of past events and recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount required to settle the obligation is estimated reliably.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, considering the unavoidable risks and uncertainties about the related events and circumstances. When the effect of time value of money is material, the provision is measured at the present value of the amount of expenditure expected to settle the obligation.

If a third party is expected to reimburse some or all of the expenses required to settle the provision, the reimbursement amount is recognized and accounted as a separate asset only when it is almost certain that the payment will be received.

The balance of the provision is reviewed at the end of each reporting period and adjusted to reflect the best estimate as of the end of the reporting period. When it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the related provision is reversed.

Provisions are used only for expenses related to initial recognition.

#### (17) Greenhouse Gases Emission Right

The Group accounts for greenhouse gases emission right and the relevant liability as follows pursuant to the Act on Allocation and Trading of Greenhouse Gas Emission.

##### ① Emission rights

Greenhouse gas emissions rights consist of the allowances received free of charge from the government and the ones purchased. the allowances received free of charge from the government is measured and recognized as zero (“o”) and the cost of the greenhouse gas emissions rights includes expenditures arising directly from the acquisition and any other costs incurred during normal course of the acquisition.

Greenhouse gas emissions rights are held by the Group to fulfill the legal obligation and recorded as intangible assets. To the extent that the portion to be submitted to the government within one year from the end of reporting period, the greenhouse gas emissions rights are classified as current assets. Greenhouse gas emissions rights recorded as intangible assets are initially measured at cost and substantially remeasured at cost less accumulated impairment losses.

Emission rights held for the purpose of performing the obligation are classified as intangible asset and initially measured at cost and subsequently carried at cost less accumulated impairment losses.

The Group derecognizes an emission right asset when the emission allowance is unusable, disposed or submitted to

government when the future economic benefits are no longer expected to be probable.

## ② Emission liability

Emission liability is an amount of estimated obligations for emission rights to be submitted to the government for the performing period. The emission liability is measured based on the expected quantity of emission for the performing period in excess of emission allowance in possession and the unit price for such emission rights in the market at the end of the reporting period. The emission liability is derecognized when submitted to the government.

## (18) Foreign Currency

### ① Foreign currency transactions

Foreign currency transactions are initially recorded using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the original transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date fair value was initially determined.

All exchange differences arising from the conversion of monetary items are recognized in profit or loss, excluding foreign exchange differences at the time of settlement of monetary items, differences in the translation of net investments in overseas operations, or differences in financial liabilities designated as cash flow hedges. When gains or losses on non-monetary items are recognized in other comprehensive income, exchange components of those gains or losses are recognized in other comprehensive income. Conversely, when gains or losses on non-monetary items are recognized in profit or loss, exchange components of those gains or losses are recognized in profit or loss.

### ② Overseas operations

If the presentation currency of the Group is different from an overseas operation's functional currency, the financial statements of the overseas operation are translated into the presentation currency using the following methods:

The assets and liabilities of overseas operations, whose functional currency is not the currency of a hyperinflationary economy, are translated to presentation currency at exchange rates at the reporting date. The income and expenses of overseas operations are translated to functional currency at exchange rates at the dates of the transactions. Foreign currency differences are recognized in other comprehensive income.

Any goodwill arising on the acquisition of an overseas operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that overseas operation are treated as assets and liabilities of the overseas operation. Thus, they are expressed in the functional currency of the overseas operation and translated at the closing rate.

When an overseas operation is disposed of, the relevant amount in the translation is transferred to profit or loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes an overseas operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of an overseas operation, the relevant proportion is reclassified to profit or loss. Foreign exchange gains or losses arising from a monetary item receivable from or payable to an overseas operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the overseas operation, are recognized in other comprehensive income in the translation reserve.

### ③ Translation of net investment in overseas operations

Among the monetary items to be received from or paid to an overseas operation site, those that do not plan to settle in the foreseeable future and are unlikely to be settled are considered part of the net investment in the overseas operations, and foreign exchange differences are included in the consolidated financial statements for other inclusive financial statements. It is recognized in profit or loss and reclassified to profit or loss when the related net investment is disposed of.

#### (19) Paid-in Capital

Common shares are classified as equity, and incremental costs directly related to capital transactions are deducted from equity at a net amount reflecting tax effects.

When the Group reacquires treasury equity instruments, these equity instruments are directly deducted from equity as treasury stock. No gain or loss is recognized in profit or loss on the purchase, sale, issuance, or cancellation of treasury equity instruments. When the Group acquires and holds treasury stock, consideration paid or received is recognized directly in equity.

#### (20) Revenue from Contracts with Customers

Revenue is measured based on the consideration promised in the contract with the customer. The Group recognizes revenue when control of a good or service transfers to a customer. The characteristics and timing of performance obligations in contracts with customers, significant payment terms and related revenue recognition policies are as follows:

Goods/Service	Characteristics of goods or services, timing of performance obligations, and significant payment terms	Revenue recognition policy
Chicken meat products	Control of fresh meat and processed meat products are transferred when they are stocked at distribution stores and agencies, and when they are sold (chicks, feed, etc.) to customers, and are recognized as revenue at this point.	Revenue was recognized when the product transfers to the customer and control transfers to the customer. Discounts such as sales incentives are deducted from revenue because they do not correspond to the transaction price in revenue to the extent that there is a very high probability that a significant return will not occur to the accumulated revenue.
Computer maintenance service	For IT computer maintenance service, the service is provided during the contract period, and the service charge tax invoice is issued and processed on the last day of each month and recognized as revenue.	Revenue was recognized over the period in which the services are provided.

Meanwhile, the Group supplies feed, chicks, etc. to specific farms at cost (hereinafter referred to as “customer-supplies at cost”), purchases additionally processed customer-supplies, etc. from these farms and sells them to the outside after additional processing of the Group. Since the customer-supplies at cost supplied to specific farms are still controlled by the Group through contracts, they are recognized as assets of the Group and are treated as payment of fees when importing processed customer-supplies from such farms.

## (21) Financial Income and Expenses

The Group's financial income and expenses include:

- interest income;
- interest expense;
- net income or loss on financial assets measured at fair value through profit or loss;
- gain or loss on foreign currency translation on financial assets and financial liabilities;

Interest income or expense is recognized using the effective interest method.

The effective interest method is an interest rate that accurately matches the present value of future cash payments or receivables, estimated over the expected life of a financial instrument, with the total carrying amount of financial assets or amortized cost of financial liabilities.

When calculating interest income or interest expense, the effective interest rate is applied to the total carrying amount of the asset (if the asset is not impaired) or the amortized cost of the liability. However, for financial assets with subsequent impairment after initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial assets. If the asset is no longer considered to be impaired, interest income is calculated by applying the effective interest rate to its gross carrying amount.

## (22) Borrowing Costs

The Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognized in expense as incurred. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use or sale. Financial assets and inventories that are manufactured or otherwise produced over a short period of time are not qualifying assets. Assets that are ready for their intended use or sale when acquired are not qualifying assets.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. The Group immediately recognizes other borrowing costs as an expense. To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the Group capitalizes during a period shall not exceed the amount of borrowing costs incurred during that period.

## (23) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

### ① Current income tax

Current income tax is the expected income tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit of future periods, and non-taxable or non-deductible items from the accounting profit.

The Group offsets current tax assets and current tax liabilities if, and only if, the Group:

- has a legally enforceable right to set off the recognized amounts, and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### ② Deferred income tax

The measurement of deferred income tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. The Group recognizes a deferred income tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Group recognizes a deferred income tax asset for deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

A deferred income tax asset is recognized for the carryforward of unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, tax credits and deductible temporary differences can be utilized. The future taxable profit depends on reversing taxable temporary differences. When there are insufficient taxable temporary differences to recognize the deferred tax assets completely, the probability of reversing temporary differences and the business plans of subsidiaries within the Group are considered in the future taxable income.

Temporary differences relating to right-of-use assets and lease liabilities are considered as a single transaction for the purposes of recognizing deferred tax.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the end of the reporting period. When measuring deferred income tax assets and deferred income tax liabilities, income tax effects are reflected according to the method in which the Group expects to recover or settle the carrying amounts of the related assets and liabilities as of the end of the reporting period. Deferred income tax assets and liabilities are offset only if there is a legally enforceable right to offset the related current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority and they intend to settle current income tax liabilities and assets on a net basis. Any additional income tax expenses incurred as a result of the payment of dividends are recognized when liabilities related to the payment of dividends are recognized.

#### (24) Earnings Per Share

The Group calculates basic earnings per share of common shares in terms of profit or loss and presents it in the statement of comprehensive income. Basic earnings per share are calculated by dividing the profit or loss attributable to common shares by the weighted average number of common shares issued and outstanding during the reporting period.

#### (25) Operating Segment

The Group classifies segments based on internal reporting data that is periodically reviewed by the chief operating decision maker to make decisions on resources to be allocated to the segments and evaluate their performances. As described in Note 37, there are 3 reporting segments, each of which is a strategic unit of the Group. Strategic units provide different products and services and are operated separately because the technology and marketing strategies required for each business unit are different.

Segment information reported to the CEO includes items directly attributable to the division and items that can be reasonably allocated. The unallocated items are mainly common assets such as the headquarters building, expenses related to the headquarters, and corporate tax assets and corporate tax liabilities.

### **3. Significant Accounting Estimates and Assumptions**

The preparation of financial statements requires assumptions and estimates about the future, and management is required to make judgments in applying the accounting policies of the Group. Estimates and assumptions are continuously evaluated, taking into account reasonably foreseeable future events, based on past experience and the current situation. The results of accounting estimates are rarely identical to actual results, thus carrying significant risks that may lead to material adjustments.

Management's judgments and estimates of significant risks that may affect the adjustments to the carrying amounts of assets and liabilities in the next fiscal year are as follows. Additional information on significant judgments and estimates for some items is included in the individual notes.

#### **(1) Recoverable Amount of Cash-generating Units**

The recoverable amount of cash-generating units, which is used to assess whether impairment exists, is determined based on the calculation of their value in use.

#### **(2) Realizability of Deferred Tax Assets**

The carrying amount of deferred tax assets is reviewed at each reporting period end, and the carrying amount of deferred tax assets is reduced if it is no longer probable that sufficient taxable income will be generated to allow all or part of the deferred tax assets to be recovered.

#### **(3) Fair Value of Biological Assets**

The fair value of biological assets that are not traded in an active market is primarily determined using valuation techniques. The Company makes judgments on the selection and determination of various valuation techniques based on significant market conditions as of the end of the reporting period.

## 4. Financial Risk Management

### 4.1 Components of Financial Risk Management

In relation to financial instruments, the Group is exposed to credit risk, liquidity risk and market risk. This note discloses information on the above risks to which the Group is exposed, as well as the Group's risk management objectives, policies, and risk assessment and management procedures. Additional quantitative information is disclosed throughout the consolidated financial statements.

#### (1) Risk Management System

The Board of Directors is responsible for establishing and supervising the risk management system of the Group and carries out implementation activities such as establishing risk management policies and identifying, evaluating and managing risks from the enterprise-level perspective.

The Group's risk management policy has been established to identify and analyze the risks the Group faces, to set appropriate risk thresholds and controls, and to prevent risks from exceeding the thresholds. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims at establishing a strict and structured control environment in which all employees can understand their roles and responsibilities through training and management standards and procedures.

The Group's audit committee supervises how management manages compliance with the Group's risk management policies and procedures, and reviews whether the Group's risk management system is appropriate. Internal audit assists the audit committee's supervisory function, conducts regular and special reviews on risk management controls and procedures, and reports the results to the audit committee.

#### (2) Credit Risk

"Credit Risk" refers to the risk that the Group will suffer financial loss due to failure of performing contractual obligations by customers or counterparties to financial instruments. It mainly arises from debt securities and trade receivables payable by customers.

##### ① Trade receivables

The Group's exposure to credit risk is mainly affected by the characteristics of each customer, but the customer distribution, such as bankruptcy risk in the industry and country in which the customer operates, is also considered as a factor affecting credit risk. As the Group's exposure is dispersed among multiple customers, credit risk is not concentrated.

Many of the Group's customers have the continuous business relationships, so losses do not occur frequently. When reviewing credit risk for customers, the Group classifies them according to characteristics such as whether the customer is an individual or a corporation, whether the customer is a wholesaler, retailer, or consumer, credit, and previous financial difficulties. Most of the trade receivables arise from the Group's wholesale customers. Customers classified as "high risk" are included in the restricted customer list for management, and future sales are possible only when paying the operation security deposit or paying an advance payment.

The Group has established an allowance for losses expected to occur on trade receivables. This allowance consists of the specific impairment losses on individually significant items and an impairment loss that has arisen but has not yet been identified on a group of financial assets with similar characteristics. Allowance for a group of financial assets is determined based on historical data on the recovery of similar financial assets.

##### ② Debt securities

The Group limits exposure to credit risk by investing only in regional development bonds and national housing bonds.

##### ③ Guarantee

It is the policy of the Group to provide guarantees only to related parties or business partners who need support for business. As of December 31, 2025, the guarantees provided by the Group are described in Notes 22 and 23.

### (3) Liquidity Risk

“Liquidity Risk” refers to the risk that the Group will have difficulties in meeting its obligations related to financial liabilities. The Group’s liquidity management method is to maintain sufficient liquidity to pay off its liabilities at maturity without the risk of incurring unacceptable losses or damaging the Group’s reputation even in financially difficult circumstances.

The Group has sufficient demand deposits to cover the expected operating costs, including repayment of financial liabilities, and credit limits at financial institutions with high credit ratings. This does not include potential effects due to extreme conditions that cannot be reasonably foreseen.

### (4) Market Risk

“Market Risk” refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to fluctuations in market prices such as exchange rates, interest rates, and price of equity securities. The objective of market price management is to manage and control market risk exposure within acceptable limits while optimizing returns.

#### ① Currency risk

The Group is exposed to foreign exchange risk on sales, purchases and borrowings denominated in currencies other than the functional currency of the Group. The primary currency in which these transactions are presented is USD.

#### ② Interest rate risk

The Group manages interest rate risk by periodically reviewing interest rate fluctuations and repaying or refinancing related liabilities to manage interest rate risk.

### (5) Capital Management

The Group’s capital management policy is to maintain sound capital for the trust of investors, creditors, and the market and the future development of the business. The Group strives to maintain a balance between sound financial positions. The Group’s capital structure consists of equity and net liabilities after deducting cash and cash equivalents and short- and long-term financial instruments from borrowings. The details of capital management as of December 31, 2025 and 2024 are as follows.

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Total borrowings	369,839,459	427,493,176
Less:		
Cash and cash equivalents	81,111,701	41,322,763
Short-term financial instruments	3,000,000	16,627,000
Long-term financial instruments	-	22,512,169
Adjusted borrowings	285,727,758	347,031,244
Equity	325,441,884	289,074,614
Adjusted debt ratio	87.80%	120.05%

## 4.2 Foreign Currency Risk

### (1) Exposure to Foreign Currency Risk

The Group's exposure to foreign currency risk as of December 31, 2025 and 2024 are as follows:

(Unit: USD, JPY, VND, KRW 1,000)						
Account	Dec 31, 2025			Dec 31, 2024		
	Foreign currency		KRW equivalent	Foreign currency		KRW equivalent
Cash and cash equivalents	USD	159,343	228,641	USD	85,912	126,290
	JPY	76,490,100	701,896	JPY	19,230,360	180,088
	VND	17,017,131,123	929,135	VND	-	-
Total foreign currency assets			1,859,672			306,378
Short-term borrowings	USD	59,593,323	85,510,459	USD	87,290,624	128,302,992
Total foreign currency liabilities			85,510,459			128,302,992

### (2) Sensitivity Analysis

The Group internally measures the foreign exchange risk of exchange rate fluctuations on a regular basis. When assuming that all other variables are constant as of December 31, 2025 and 2024, the results of sensitivity analysis on the effects of potential fluctuations in exchange rates on the Group's pre-tax net income and equity to the reasonable extent are as follows:

(In thousands of Korean won)					
Currency	FX rate change	Dec 31, 2025		Dec 31, 2024	
		Up	Down	Up	Down
USD	10%	(8,528,182)	8,528,182	(12,817,670)	12,817,670
JPY	10%	70,190	(70,190)	18,009	(18,009)
VND	10%	92,914	(92,914)	-	-
Total		(8,365,078)	8,365,078	(12,799,661)	12,799,661

### 4.3 Interest Rate Risk

The Group is exposed to interest rate risk because it has floating interest rate financial liabilities.

(1) The carrying amounts of floating interest rate financial liabilities held by the Group as of December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Floating interest rate financial liabilities:		
Short-term borrowings	308,950,459	246,493,717
Long-term borrowings	19,000,000	67,500,000
Total	327,950,459	313,993,717

(2) Cash flow sensitivity analysis of floating interest rate financial liabilities

If the interest rate would have changed by 100 basis points, the Group's equity and profit or loss should have increased or decreased at the end of the reporting period accordingly. Assuming that other variables such as exchange rates do not change, the specific amounts of changes in capital and profit or loss are as follows:

(In thousands of Korean won)								
Item	Dec 31, 2025				Dec 31, 2024			
	Profit or loss		Capital		Profit or loss		Capital	
	100bp Up	100bp Down	100bp Up	100bp Down	100bp Up	100bp Down	100bp Up	100bp Down
Short-term borrowings	(3,089,505)	3,089,505	(3,089,505)	3,089,505	(2,464,937)	2,464,937	(2,464,937)	2,464,937
Long-term borrowings	(190,000)	190,000	(190,000)	190,000	(675,000)	675,000	(675,000)	675,000
Total	(3,279,505)	3,279,505	(3,279,505)	3,279,505	(3,139,937)	3,139,937	(3,139,937)	3,139,937

#### 4.4 Credit Risk

##### (1) Exposure to credit risk

The carrying amount of a financial asset represents the maximum exposure to credit risk. The maximum exposure to credit risk of the Group as of December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Cash and cash equivalents	81,111,701	41,322,454
Short-term financial instruments	3,000,000	16,627,000
Long-term financial instruments	-	22,512,169
Trade and other receivables	114,665,648	95,084,661
Long-term trade and other receivables	9,070,722	9,195,092
Other financial assets	1,078,000	-
Long-term Other financial assets	10,979,058	-
Total	219,905,129	184,741,376

As of December 31, 2025, the maximum exposure to credit risk of financial guarantees provided by the Group is KRW2,463,100,000 (Note 23).

On the other hand, since the Group maintains ordinary deposits in financial institutions with excellent credit ratings, it is expected that the credit risk from financial institutions is not high.

##### (2) Impairment loss

The ages of trade receivables and other receivables as of December 31, 2025 and 2024, and the amounts of expected credit loss for receivables by age are as follows:

(In thousands of Korean won)						
Item	Dec 31, 2025			Dec 31, 2024		
	Total receivables	Impaired receivables	Carrying amount	Total receivables	Impaired receivables	Carrying amount
0-3 months	114,630,504	284,002	114,346,502	94,513,471	54,914	94,458,557
4-6 months	903,269	125,027	778,242	1,060,835	70,045	990,790
7-9 months	22,550	5,645	16,905	178,955	41,690	137,265
10-12 months	69,020	55,649	13,371	10,394	7,059	3,335
Over 12 months	9,023,374	442,024	8,581,350	10,377,029	1,687,223	8,689,806
Total	124,648,717	912,347	123,736,370	106,140,684	1,860,931	104,279,753

#### **4.5 Liquidity Risk**

The Group maintains an appropriate level of undrawn borrowing facilities (refer to Note 23.2) and constantly monitors liquidity forecasts to meet operating cash flow demands without violating borrowing limits or covenants.

The Group has entered into supplier finance arrangements with various financial institutions, with varying terms depending on the financial institution. These arrangements have improved the Group's working capital. The financial institutions with which the Group has supplier finance arrangements maintain sound financial positions, and the Group has no significant concentration of liquidity risk with respect to these financial institutions (Note 18.2).

The management monitors cash and cash equivalents and borrowing facility covenants based on estimated expected cash flows. These estimations are managed regionally by each company according to practices and limits set by the Group. These limits are set differently considering the liquidity conditions of the regional markets in which each company operates. In addition, the Group's liquidity risk-related policies consider the status of liquid assets to meet estimated cash flow needs by major currency and manage the liquidity ratio on the statement of financial position to meet the requirements of internal and external supervisory bodies and to execute funding plans.

Contractual maturities of financial liabilities as of December 31, 2025 and 2024 are as follows:

① Dec 31, 2025

(In thousands of Korean won)						
Item	Carrying amount	Contractual cash flow	Within 3 months	3 months ~ 1 year	1-2 years	Over 2 years
Trade and other payables	119,333,370	119,333,370	111,284,516	8,048,854	-	-
Short-term borrowings	343,840,459	349,412,383	107,973,887	241,438,496	-	-
Long-term trade and other payables	429,153	429,153	-	-	429,153	-
Long-term borrowings	25,999,000	27,181,820	199,451	591,849	26,390,520	-
Lease liabilities	4,468,237	4,930,305	736,463	1,701,931	1,587,015	904,896
Total	494,070,219	501,287,031	220,194,317	251,781,130	28,406,688	904,896

② Dec 31, 2024

(In thousands of Korean won)						
Item	Carrying amount	Contractual cash flow	Within 3 months	3 months ~ 1 year	1-2 years	Over 2 years
Trade and other payables	107,315,630	107,315,630	98,738,077	8,577,553	-	-
Short-term borrowings	413,413,176	420,107,200	105,067,698	315,039,502	-	-
Long-term trade and other payables	1,537,852	1,537,851	-	-	445,000	1,092,851
Long-term borrowings	14,080,000	15,259,462	128,897	393,853	10,584,041	4,152,671
Other financial liabilities	609,130	609,130	609,130	-	-	-
Lease liabilities	4,164,897	4,562,149	796,053	1,813,677	965,919	986,500
Total	541,120,685	549,391,422	205,339,855	325,824,585	11,994,960	6,232,022

The management of the Group believes that financial liabilities can be repaid by cash flows from operating activities and cash inflows from financial assets. Meanwhile, the Group enters into a credit limit contract with the major bank to manage liquidity risks that may arise temporarily.

## 5. Fair Value

### 5.1 Carrying Amount and Fair Value of Financial Instruments by Category

(1) The carrying amounts and fair values of financial instruments as of December 31, 2025 and 2024, are as follows

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Financial assets recognized at amortized cost				
Cash and cash equivalents	81,111,701	81,111,701	41,322,763	41,322,763
Short-term financial instruments	3,000,000	3,000,000	16,627,000	16,627,000
Long-term financial instruments	-	-	22,512,169	22,512,169
Trade and other receivables (*)	114,665,648	114,665,648	95,084,661	95,084,661
Long-term trade and other receivables	9,070,722	9,070,722	9,195,092	9,195,092
Financial assets measured at fair value				
Derivatives assets	1,078,000	1,078,000	-	-
	10,979,058	10,979,058	-	-
Total financial assets	219,905,129	219,905,129	184,741,685	184,741,685
Financial Liabilities:				
Financial liabilities not measured at fair value				
Trade and other payables (*)	119,333,370	119,333,370	107,315,630	107,315,630
Long-term trade and other payables	429,153	429,153	1,537,852	1,537,852
Short-term borrowings	343,840,459	343,840,459	413,413,176	413,413,176
Long-term borrowings	25,999,000	25,999,000	14,080,000	14,080,000
Financial liabilities measured at fair value				
Derivatives liabilities	-	-	609,130	609,130
Total financial liabilities	489,601,982	489,601,982	536,955,788	536,955,788

## 5.2 Fair Value Hierarchy

Fair values are categorized into the following levels.

Category	Significance of input variables
Level 1	Quoted price in an active market for identical assets or liabilities
Level 2	Directly or indirectly observable inputs to an asset or liability
Level 3	Inputs to assets or liabilities that are not based on observable market data

The fair value measurement by fair value level for each type of financial instrument measured at fair value as of December 31, 2025 and 2024, is as follows:

### 1) Dec 31, 2025

(In thousands of Korean won)				
Item	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives assets	-	1,078,000	-	1,078,000
Other non-current financial assets	-	10,909,858	69,200	10,979,058
Total	-	11,987,858	69,200	12,057,058

### 2) Dec. 31, 2024

(In thousands of Korean won)				
Item	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives assets	-	609,130	-	609,130

### 3) Descriptions on valuation method and inputs of Level 2 of the fair value hierarchy

Valuation technics and inputs of assets/liabilities classified as Level 2 of the fair value hierarchy among assets and liabilities measured at fair values as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025	Dec 31, 2024	Valuation method	Inputs
Financial assets				
Derivatives assets	1,078,000	-	Market approach	FX rate, remaining maturity, etc.
Other non-current financial assets	10,909,858	-	Market approach	Interest rate, remaining maturity, etc.
Financial liabilities				
Derivatives liabilities	-	609,130	Market approach	FX rate, remaining maturity, etc.

## 6. Financial Instrument Category

### 6.1 Classification of Financial Instruments by Category

Carrying amounts of financial instruments by category as of December 31, 2025 and 2024, are as follows:

① Dec 31, 2025

(In thousands of Korean won)				
Item	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial assets measured at fair value	Financial liabilities measured at fair value
Cash and cash equivalents	81,111,701	-	-	-
Short-term financial instruments	3,000,000	-	-	-
Long-term financial instruments	-	-	-	-
Trade and other receivables	114,665,648	-	-	-
Long-term trade and other receivables	9,070,722	-	-	-
Other financial assets	-	-	1,078,000	-
Other non-current financial assets	-	-	10,979,058	-
Total financial assets	207,848,071	-	12,057,058	-
Trade and other payables	-	119,333,370	-	-
Long-term trade and other payables	-	429,153	-	-
Short-term borrowings	-	343,840,459	-	-
Long-term borrowings	-	25,999,000	-	-
Total financial liabilities	-	489,601,982	-	-

② Dec 31, 2024

(In thousands of Korean won)				
Item	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial assets measured at fair value	Financial liabilities measured at fair value
Cash and cash equivalents	41,322,763	-	-	-
Short-term financial instruments	16,627,000	-	-	-
Long-term financial instruments	22,512,169	-	-	-
Trade and other receivables	95,084,661	-	-	-
Long-term trade and other receivables	9,195,092	-	-	-
Total financial assets	184,741,685	-	469,200	-
Trade and other payables	-	107,315,630	-	-
Long-term trade and other payables	-	1,537,852	-	-
Short-term borrowings	-	413,413,176	-	-
Long-term borrowings	-	14,080,000	-	-
Other financial liabilities	-	-	-	609,130
Total financial liabilities	-	536,346,658	-	609,130

## 6.2 Profit or Loss on Financial Instruments by Category

Details of financial incomes and financial expenses by category of financial instruments for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		
Item	2025	2024
Financial assets measured at amortized cost:		
Interest income	2,766,884	3,227,065
Gain on foreign currency transactions	359,618	550,698
Loss on foreign currency transactions	(438,064)	(131,176)
Gain on foreign currency translation	-	9,541
Loss on foreign currency translation	-	(632)
Reversal of allowance for bad debt (bad debt expenses)	43,318	(411,279)
Financial instruments measured at fair value:		
Gain on trading of derivatives	17,011,025	13,828,440
Loss on trading of derivatives	(13,781,769)	(32,428,925)
Gain on valuation of derivatives	1,687,130	-
Loss on valuation of derivatives	-	(609,130)
Financial assets measured at fair value:		
Gain on valuation of financial assets	254,108	-
Loss on valuation of financial assets	(11,992)	-
Financial liabilities measured at amortized cost:		
Interest expense	(17,585,607)	(21,037,215)
Gain on foreign currency transactions	7,982,723	194,303
Loss on foreign currency transactions	(1,564,765)	(8,899,538)
Gain on foreign currency translation	375,794	-
Loss on foreign currency translation	(2,454,441)	(10,000,957)
Total	(5,356,038)	(55,708,805)

## 7. Cash and Cash Equivalents

### 7.1 Details of Cash and Cash Equivalents

Details of cash and cash equivalents as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Cash on hand	-	309
Ordinary deposits	81,111,701	41,322,454
Total	81,111,701	41,322,763

### 7.2 Details of Restricted Deposits

Details of restricted deposits as of December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025	Dec 31, 2024	Financial institution	Remarks
Short-term financial instruments	2,000,000	2,000,000	Nonghyup Bank	Win-win loans
	-	7,000,000	Nonghyup Bank	
Long-term financial instruments	-	3,000,000	Gyobo Life Insurance	Collaterals for borrowings
	-	7,600,000	Shinhan Bank	
	-	7,600,000	Shinhan Bank	
Total	2,000,000	27,200,000		

## 8. Financial Assets

### 8.1 Other Financial Assets

The composition of short-term and long-term financial assets as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)			
Item	Descriptions	Dec 31, 2025	Dec 31, 2024
Short-term financial assets	Periodical deposits	3,000,000	16,577,000
Short-term financial assets	Periodical deposits	-	50,000
Sub-total		3,000,000	16,627,000
Long-term financial assets	Long-term deposits	-	22,512,169
Total		3,000,000	39,139,169

### 8.2 Derivatives

(1) The composition of derivatives as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Derivatives assets:				
Currency futures	1,078,000	-	-	-
Total	1,078,000	-	-	-
Derivatives liabilities:				
Currency futures	-	-	609,130	-
Total	-	-	609,130	-

(2) The details of derivatives as of December 31, 2025 and 2024 is as follows:

① Dec 31, 2025

(In thousands of Korean won, USD)				
Purpose	Item	Contracting Party	Amount	Derivatives assets (liabilities)
Trading	Currency futures	NEXT Securities	USD35,000,000	1,078,000
Total			USD35,000,000	1,078,000

② Dec 31, 2024

(In thousands of Korean won, USD)				
Purpose	Item	Contracting Party	Amount	Derivatives assets (liabilities)
Trading	Currency futures	Samsung Futures	USD29,150,000	(130,570)
		SI Securities	USD99,700,000	(478,560)
Total			USD128,850,000	(609,130)

(3) Profit or loss on trading of derivatives for years ended December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)				
Item	Gain or loss on valuation		Gain or loss on trading	
	2025	2024	2025	2024
Know out Forward	-	-	-	(241,600)
Forward Exchange	-	-	(599,379)	-
CAP(Capped Forward)	-	-	(17,000)	718,700
Currency Futures	1,687,130	(609,130)	3,845,635	(19,077,585)
Total	1,687,130	(609,130)	3,229,256	(18,600,485)

## 9. Inventories

The composition of inventories as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)						
Item	Dec 31, 2025			Dec 31, 2024		
	Acquisition cost	Valuation loss	Carrying amount	Acquisition cost	Valuation loss	Carrying amount
Goods	4,011,379	-	4,011,379	2,802,291	-	2,802,291
Products	37,233,198	(4,155,677)	33,077,521	40,779,800	(2,917,223)	37,862,577
Work in progress	1,310,527	-	1,310,527	4,415,920	-	4,415,920
Raw materials	9,410,437	-	9,410,437	66,175,931	-	66,175,931
Subsidiary materials	4,042,573	-	4,042,573	2,457,565	-	2,457,565
Stored goods	5,141,688	-	5,141,688	8,242,074	-	8,242,074
Goods in transit	40,721,141	-	40,721,141	-	-	-
Total	101,870,943	(4,155,677)	97,715,266	124,873,581	(2,917,223)	121,956,358

As inventories are valued at net realizable value, the loss on valuation of inventories additionally added to the cost of sales during the current year is KRW1,238,453,000.

## 10. Biological Assets

### 10.1 Composition of Biological Assets

The composition of biological assets as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Biological assets for production	13,869,460	13,257,334
Biological assets for consumption	35,827,419	28,597,662
Total	49,696,879	41,854,996

### 10.2 Changes in Biological Assets for Production

Changes in biological assets for production for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)			
Item	GPS	PS	Total
Acquisition cost:			
Beginning balance	13,994,985	25,724,096	39,719,081
Acquisition cost	2,721,045	-	2,721,045
Increase due to breeding	611,493	17,816,994	18,428,487
Disposal amount	(5,723,013)	(22,600,311)	(28,323,324)
Changes	23,096	940,742	963,838
Ending balance	11,627,606	21,881,521	33,509,127
Accumulated depreciation:			
Beginning balance	(7,886,026)	(18,575,721)	(26,461,747)
Depreciation	(6,292,743)	(15,208,501)	(21,501,244)
Disposal amount	5,723,013	22,600,311	28,323,324
Ending balance	(8,455,756)	(11,183,911)	(19,639,667)
Carrying amount:			
Beginning balance	6,108,959	7,148,375	13,257,334
Ending balance	3,171,850	10,697,610	13,869,460

② 2024

(In thousands of Korean won)			
Item	GPS	PS	Total
Acquisition cost:			
Beginning balance	10,788,902	23,259,224	34,048,126
Acquisition cost	6,581,662	-	6,581,662
Increase due to breeding	1,416,243	15,931,218	17,347,461
Disposal amount	(4,791,822)	(13,466,346)	(18,258,168)
Ending balance	13,994,985	25,724,096	39,719,081
Accumulated depreciation:			
Beginning balance	(5,776,696)	(17,032,818)	(22,809,514)
Depreciation	(6,901,152)	(15,009,249)	(21,910,401)
Disposal amount	4,791,822	13,466,346	18,258,168
Ending balance	(7,886,026)	(18,575,721)	(26,461,747)
Carrying amount:			
Beginning balance	5,012,206	6,226,406	11,238,612
Ending balance	6,108,959	7,148,375	13,257,334

### 10.3 Changes in Biological Assets for Consumption

Changes in biological assets for consumption for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Beginning carrying amount	28,597,662	24,692,367
Increase due to breeding	536,180,278	527,118,518
Increase due to purchasing	15,597,015	18,205,981
Changes in net fair value of harvest	151,918,498	72,003,204
Changes in net fair value of biological assets held	6,869,511	3,457,037
Transfer to inventories after harvest	(703,335,545)	(616,879,445)
Ending carrying amount	35,827,419	28,597,662

## 10.4 Fair Value of Biological Assets for Consumption

### 10.4.1 Fair Value Hierarchy

The measurement of fair values of biological assets measured at fair value as of December 31, 2025 and 2024 is as follows:

i) Dec 31, 2025

(In thousands of Korean won)				
Item	Level 1	Level 2	Level 3	Total
Biological assets for consumption – Live chickens	-	-	31,876,956	31,876,956

ii) Dec 31, 2024

(In thousands of Korean won)				
Item	Level 1	Level 2	Level 3	Total
Biological assets for consumption – Live chickens	-	-	28,597,662	28,597,662

### 10.4.2 Valuation Techniques and Inputs of Fair Value Hierarchy

Valuation techniques for repetitive fair value measurements classified as Level 3 in the fair value hierarchy and inputs used in fair value measurement are as follows:

Item	Valuation techniques	Unobservable inputs	Correlation between key unobservable variables and fair value
Biological assets for consumption	Fair value to be determined by a market approach	- Unit price per kg: Adjusted unit price using the market price of Korea Broiler Association, Korea Chicken Association, and Korea Native Chicken Association as of the end of the reporting period: - Unit per kg: Application of estimated average weight	As the estimate of unit price per kg increases, the estimate of fair value increases.

### **10.4.3 Fair value measurement methods and assumptions for biological assets for consumption**

In the case of live chickens, the biological assets for consumption that are subject to fair value evaluation, as there is no active trading market, the market value publicly announced by the association is applied to the fair value per unit. In addition, in the case of live chickens that are growing, since there is no transaction price, it is assumed that the market price according to the average weight is linearly distributed.

### **10.5 Risks exposed in relation to biological assets**

The Group is exposed to the following various risks in relation to biological assets.

#### ① Regulatory and environmental risks

The Group complies with the laws and regulations of Korea and others regions where the business sites are located. The Group enacts and implements environmental policies to comply with local environmental and other laws and management of the Group conducts periodic reviews to identify environmental risks and to ensure that the Group's policies are appropriate to manage these risks.

#### ② Supply and demand risk

The Group is exposed to financial risks arising from changes in the price of biological assets. The Group does not anticipate that the price of biological assets will not decrease significantly in the foreseeable future by breeding them depending on the size of supply and demand requested in the market.

In addition, the management periodically reviews the outlook for the price of biological assets by analyzing industry trends to ensure that the expected breeding scale and expected demand are consistent.

#### ③ Climate and other risks

The Group may be financially affected from diseases and other risks of biological assets held by the Group. The Group monitors the possibility of disease on a regular basis and, if there are signs of disease, prevents the spread of the disease through extensive quarantine and mass cull. In addition, to strengthen immunity to disease, the Group improves breeding facilities and supply high-quality feed for biological assets.

## 11. Trade and Other Receivables

### 11.1 Details of Trade and Other Receivables

The composition of trade and other receivables as of December 31, 2025 and 2024, is as follows.

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Trade receivable	104,588,259	-	74,832,605	-
Allowance for trade receivables	(823,046)	-	(1,829,654)	-
Loans	6,010,820	-	5,009,295	-
Allowance for loans	-	-	-	-
Account receivables	153,235	-	8,273,493	-
Allowance for account receivables	(44,459)	-	(26,797)	-
Accrued income	59,622	-	999,107	-
VAT paid for others	-	-	1,681,708	-
Security deposits	4,766,059	9,289,406	7,826,612	9,558,751
Allowance for security deposits	-	-	-	(4,480)
Unrealized security deposits	(44,842)	(218,684)	-	(359,179)
Total	114,665,648	9,070,722	96,766,369	9,195,092

### 11.2 Changes in allowance for bad debts for trade and other receivables

Changes in allowance for bad debts for trade and other receivables for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Beginning balance	1,860,931	1,484,162
Bad debt expenses	155,338	449,980
Reversal of allowance for bad debt	(198,656)	(38,700)
Writ-off of allowance for bad debt	(950,108)	(34,511)
Ending balance	867,505	1,860,931

## 12. Other Assets

### 12.1 Details of Other Assets

The composition of other assets as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Advance payment	446,035	240,000	842,959	1,217,581
Allowance for advance payment	(32,359)	-	(32,359)	-
Advance payment for breeding	5,513,627	-	3,075,508	-
Allowance for breeding advance payment	(272,719)	-	(129,175)	-
Prepaid expenses	2,197,280	1,194,394	974,568	1,194,394
VAT paid	1,109,332	-	-	-
Others	4,073,900	-	-	-
Total	13,035,096	1,434,394	4,731,501	2,411,975

### 12.2 Changes in allowance for bad debts in other assets

Changes in allowance for bad debts in other assets for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Beginning balance	161,534	277,746
Bad debt expenses	178,688	-
Writ-off of allowance for bad debt	(35,144)	(67,000)
Reversal of allowance for bad debt	-	(49,212)
Ending balance	305,078	161,534

### 13. Investment Property

#### 13.1 Changes in Investment Property

Changes in investment property for the years ended December 31, 2025 and 2024 are as follow:

(In thousands of Korean won)						
Item	2025			2024		
	Land	Building	Total	Land	Building	Total
Acquisition cost:						
Beginning	5,820,091	29,092,817	34,912,908	4,247,830	21,757,833	26,005,663
Acquisition	-	114,534	114,534	-	-	-
Disposal	-	-	-	(100,939)	-	(100,939)
Changes (*)	1,473,422	1,881,532	3,354,954	1,673,200	7,334,984	9,008,184
Ending	7,293,513	31,088,883	38,382,396	5,820,091	29,092,817	34,912,908
Accumulated depreciation:						
Beginning	-	(14,512,724)	(14,512,724)	-	(11,798,468)	(11,798,468)
Depreciation	-	(728,598)	(728,598)	-	(687,062)	(687,062)
Changes (*)	-	(1,445,949)	(1,445,949)	-	(2,027,194)	(2,027,194)
Ending	-	(16,687,271)	(16,687,271)	-	(14,512,724)	(14,512,724)
Carrying amount:						
Beginning	5,820,091	14,580,093	20,400,184	4,247,830	9,959,365	14,207,195
Ending	7,293,513	14,401,612	21,695,125	5,820,091	14,580,093	20,400,184

(\*) Changes are the amount which is transferred from PP&E to investment property.

#### 13.2 Lease revenues/expenses arising from investment property

Details recognized as gain or loss related to investment properties for the years ended December 31, 2025 and 2024 are as follow:

(In thousands of Korean won)		
Item	2025	2024
Lease revenue	1,539,042	1,302,860
Cost of lease	(1,232,853)	(1,208,712)
Total	306,189	94,148

### 13.3 Fair Value of Investment Property

Fair value and carrying amount of investment property as of December 31, 2025 are as follow:

(In thousands of Korean won)		
Item	Fair value	Carrying amount
Land	5,508,485	7,293,513
Building	23,908,354	14,401,612
Total	29,416,839	21,695,125

As of December 31, 2025, the fair value of investment property was determined using information such as officially published real estate prices.

## 14. Property, Plant and Equipment (PP&E)

### 14.1 Changes in PP&E

(1) Changes in PP&E for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)									
Item	Land	Building	Structures	Machinery	Facilities and equipment	Vehicles	Others	Construction in progress (*)	Total
Acquisition cost:									
Beginning balance	20,869,267	265,952,552	20,119,570	268,194,742	257,590,131	1,108,965	31,128,035	11,425,121	876,388,383
Acquisition	-	23,645	-	955,747	5,347,008	-	1,545,654	30,908,541	38,780,595
Disposal	(449,377)	(2,747,250)	(499,765)	(3,078,923)	(3,938,172)	(233,560)	(1,150,612)	-	(12,097,659)
Other changes	(1,473,422)	4,549,740	-	3,635,538	18,218,169	129,399	2,240,529	(32,534,063)	(5,234,110)
Ending balance	18,946,468	267,778,687	19,619,805	269,707,104	277,217,136	1,004,804	33,763,606	9,799,599	897,837,209
Accumulated depreciation:									
Beginning balance	-	(84,652,329)	(12,028,772)	(174,100,572)	(133,906,877)	(1,005,464)	(25,316,963)	-	(431,010,977)
Disposal	-	2,195,709	497,520	2,872,737	3,456,153	233,546	1,080,872	-	10,336,537
Depreciation	-	(6,563,175)	(805,631)	(13,657,400)	(17,903,962)	(56,604)	(2,293,627)	-	(41,280,399)
Changes	-	1,445,949	-	-	-	-	-	-	1,445,949
Ending balance	-	(87,573,846)	(12,336,883)	(184,885,235)	(148,354,686)	(828,522)	(26,529,718)	-	(460,508,890)
Accumulated impairment losses									
Beginning balance	-	(2,328,826)	(31,516)	(1,341,154)	(1,865,574)	-	(66,435)	-	(5,633,505)
Disposal	-	-	-	-	-	-	47	-	47
Ending balance	-	(2,328,826)	(31,516)	(1,341,154)	(1,865,574)	-	(66,388)	-	(5,633,458)
Government grants:									
Beginning balance	-	(8,596,121)	(168,805)	(126,176)	(197,462)	-	-	-	(9,088,564)
Acquisition	-	-	-	-	(212,866)	-	-	-	(212,866)
Depreciation	-	258,462	9,208	32,992	32,137	-	-	-	332,799
Ending balance	-	(8,337,659)	(159,597)	(93,184)	(378,191)	-	-	-	(8,968,631)
Carrying amount:									
Beginning balance	20,869,267	170,375,276	7,890,477	92,626,840	121,620,218	103,501	5,744,637	11,425,121	430,655,337
Ending balance	18,946,468	169,538,356	7,091,809	83,387,531	126,618,685	176,282	7,167,500	9,799,599	422,726,230

(\*) Other changes in construction in progress are the amount transferred to PP&E and intangible assets.

② 2024

(In thousands of Korean won)									
Item	Land	Building	Structures	Machinery	Facilities and equipment	Vehicles	Others	Construction in progress (*)	Total
Acquisition cost:									
Beginning balance	23,145,819	273,278,714	21,054,775	275,018,554	250,699,968	1,916,394	39,750,033	6,115,621	890,979,878
Acquisition	-	8,818	27,860	749,313	3,170,794	-	1,983,483	23,522,295	29,462,563
Disposal	(603,351)	-	(963,065)	(15,447,091)	(4,212,663)	(807,429)	(11,284,570)	-	(33,318,169)
Other changes	-	-	-	7,873,966	7,932,032	-	679,089	(18,212,795)	(1,727,708)
Reclassification	(1,673,201)	(7,334,980)	-	-	-	-	-	-	(9,008,181)
Ending balance	20,869,267	265,952,552	20,119,570	268,194,742	257,590,131	1,108,965	31,128,035	11,425,121	876,388,383
Accumulated depreciation:									
Beginning balance	-	(80,070,005)	(12,159,569)	(174,230,998)	(120,060,010)	(1,725,708)	(33,804,614)	-	(422,050,904)
Disposal	-	-	963,046	15,345,108	4,194,380	783,276	11,194,713	-	32,480,523
Depreciation	-	(6,609,518)	(832,249)	(15,214,682)	(18,041,247)	(63,032)	(2,707,062)	-	(43,467,790)
Reclassification	-	2,027,194	-	-	-	-	-	-	2,027,194
Ending balance	-	(84,652,329)	(12,028,772)	(174,100,572)	(133,906,877)	(1,005,464)	(25,316,963)	-	(431,010,977)
Accumulated impairment losses									
Beginning balance	-	(2,328,826)	(31,516)	(1,351,600)	(1,866,926)	-	(67,710)	-	(5,646,578)
Disposal	-	-	-	10,446	1,352	-	1,275	-	13,073
Ending balance	-	(2,328,826)	(31,516)	(1,341,154)	(1,865,574)	-	(66,435)	-	(5,633,505)
Government grants:									
Beginning balance	-	(8,854,842)	(177,852)	(204,444)	(50,780)	-	-	-	(9,287,918)
Acquisition	-	-	-	-	(166,860)	-	-	-	(166,860)
Depreciation	-	258,721	9,047	78,268	20,178	-	-	-	366,214
Ending balance	-	(8,596,121)	(168,805)	(126,176)	(197,462)	-	-	-	(9,088,564)
Carrying amount:									
Beginning balance	23,145,819	182,025,041	8,685,838	99,231,512	128,722,252	190,686	5,877,709	6,115,621	453,994,478
Ending balance	20,869,267	170,375,276	7,890,477	92,626,840	121,620,218	103,501	5,744,637	11,425,121	430,655,337

(\*) Other changes in construction in progress are the amount transferred to PP&E and intangible assets.

## 14.2 Cash-Generating Unit Impairment Review

The Group performed an impairment review due to the continuous operating losses in the meat processing segment's cash-generating unit. Since the recoverable amount exceeded the carrying amount of the cash-generating unit, no impairment loss was recognized.

(In millions of Korean won)	
Item	Contents
Cash flow estimation period	Estimation of cash flows for 5 years based on the future business plans
Perpetual growth rate	Application of 1% in the light of industry average growth rate
Weighted average cost of capital	8.5%
Comparison target carrying value	90,816
Recoverable value (use value)	114,112
Impairment amount	23,296

The results of the sensitivity analysis for the use value with respect to changes in the discount rate and the perpetual growth rate, which are the key variables, are as follows;

(In millions of Korean won)				
Item		Discount Rate (WACC)		
		7.5%	8.5%	9.5%
Permanent growth rate	0.0%	121,261	103,868	90,253
	1.0%	135,581	114,112	97,817
	2.0%	155,103	127,506	107,397

## 15. Lease

### 15.1 Amount recognized in financial statements

The composition of leasehold right-of-use assets as of December 31, 2025 and 2024 are as follows:

① Dec 31, 2025

(In thousands of Korean won)			
Item	Acquisition amount	Accumulated depreciation	Carrying amount
Building	3,647,073	(2,727,074)	919,999
Facilities and equipment	1,280,158	(253,509)	1,026,649
Vehicles	4,991,436	(2,431,738)	2,559,698
Others	87	(77)	10
Total	9,918,754	(5,412,398)	4,506,356

② Dec 31, 2024

(In thousands of Korean won)			
Item	Acquisition amount	Accumulated depreciation	Carrying amount
Building	2,721,258	(1,386,233)	1,335,025
Facilities and equipment	406,588	(67,765)	338,823
Vehicles	4,273,076	(1,567,491)	2,705,585
Others	132,054	(95,372)	36,682
Total	7,532,976	(3,116,861)	4,416,115

## 15.2 Amount recognized in Income Statement

Expenses incurred from leases for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		
Item	2025	2024
Interest expense incurred on lease liabilities	357,797	298,234
Short-term lease related expenses	741,167	824,966
Costs related to small asset lease	2,006,229	1,944,996
Variable lease payments not included in lease assets and liabilities (*)	181,310	222,414
Total expense	3,286,503	3,290,610

(\*) In applying the recognition exemption criteria for leases under K-IFRS 1116, the difference between purchases and sales in the form of transactions where chicks and feed are sold to farmers for contract farming and livestock is recognized as a fee for the facilities excluded from lease accounting under the variable lease requirements. This includes expenses related to rearing such as fuel, electricity, water, veterinary medicine, and labor costs, and may vary depending on the quality of the live chickens. Therefore, due to the difficulty in measuring lease expenses for such cases in practice, the amount of such cases was not separately calculated and disclosed.

## 15.3 Changes in Right-of-Use Assets

Changes in the carrying amount of leasehold right-of-use assets for the years ended December 31, 2025 and 2024, are as follows:

### ① 2025

(In thousands of Korean won)					
Item	Beginning	Increase/ decrease	Depreciation	Effect of translation of overseas operations	Ending balance
Building	1,335,025	1,160,860	(1,575,020)	(866)	919,999
Facilities and equipment	338,823	1,032,901	(345,075)	-	1,026,649
Vehicles	2,705,585	1,526,944	(1,672,831)	-	2,559,698
Others	36,682	(8,182)	(28,490)	-	10
Total	4,416,115	3,712,523	(3,621,416)	(866)	4,506,356

### ② 2024

(In thousands of Korean won)					
Item	Beginning	Increase/ decrease	Depreciation	Effect of translation of overseas operations	Ending balance
Building	1,354,694	1,630,931	(1,652,431)	1,831	1,335,025
Facilities and equipment	318,322	406,588	(386,087)	-	338,823
Vehicles	2,705,141	1,509,898	(1,509,453)	-	2,705,586
Others	80,699	-	(44,018)	-	36,681
Total	4,458,856	3,547,417	(3,591,989)	1,831	4,416,115

## 15.4 Changes in Lease Liabilities

Changes in lease liabilities for the years ended December 31, 2025 and 2024, are as follows:

① 2025

(In thousands of Korean won)						
Item	Beginning	Change	Interest expense	Payments	Effect of translation of overseas operations	Ending balance
Lease liability	4,164,897	3,287,703	357,797	(3,341,253)	(907)	4,468,237

② 2024

(In thousands of Korean won)						
Item	Beginning	Change	Interest expense	Payments	Effect of translation of overseas operations	Ending balance
Lease liability	4,199,510	2,942,265	298,234	(3,277,012)	1,900	4,164,897

## 16. Intangible Assets

Changes in intangible assets for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)									
Item	2025					2024			
	Membership (*1)	Software	Industrial property rights	Intangible assets under development	Total	Membership (*1)	Software	Industrial property rights	Total
Acquisition cost:									
Beginning	1,317,551	10,036,458	103,881	-	11,457,890	546,791	10,586,392	96,693	11,229,876
Acquisition	-	31,450	-	3,526,387	3,557,837	-	191,266	-	191,266
Disposal	-	-	-	-	-	-	(863,500)	-	(863,500)
Other changes (*2)	-	39,963	8,012	1,831,182	1,879,157	770,760	122,300	7,188	900,248
Ending	1,317,551	10,107,871	111,893	5,357,569	16,894,884	1,317,551	10,036,458	103,881	11,457,890
Accumulated amortization:									
Beginning	-	(9,426,307)	(67,865)	-	(9,494,172)	-	(10,026,417)	(53,688)	(10,080,105)
Amortization	-	(216,976)	(13,230)	-	(230,206)	-	(263,389)	(14,178)	(277,567)
Disposal	-	-	-	-	-	-	863,499	-	863,499
Ending	-	(9,643,283)	(81,096)	-	(9,724,379)	-	(9,426,307)	(67,865)	(9,494,172)
Carrying amount:									
Beginning	1,317,551	610,151	36,016	-	1,963,718	546,791	559,975	43,005	1,149,771
Ending	1,317,551	464,588	30,797	5,357,569	7,170,505	1,317,551	610,151	36,016	1,963,718

(\*1) As there is no foreseeable limit on the period over which it is expected to be used, the estimated useful life of membership is indefinite and not amortized accordingly.

(\*2) Other changes are the amounts transferred from PP&E.

## 17. Trade and Other Payables

The composition of trade and other payables as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Trade payables (*)	60,777,967	-	39,177,043	-
Account payables	45,247,119	-	39,105,013	-
Accrued expenses	5,258,210	-	23,517,089	1,019,357
Deposits received	-	-	1,610,263	-
Import deposit	8,050,074	12,000	3,906,222	518,495
Present value discount on other deposits	-	417,153	-	-
Total	119,333,370	429,153	107,315,630	1,537,852

(\*) In accordance with agreements with financial institutions, when it is determined that the terms of a liability have been substantially changed due to the financial provider paying suppliers on behalf of the Group, the trade payables are derecognized and short-term borrowings are recognized (refer to Note 18). As of Dec. 31, 2025, the supplier finance arrangement liabilities included in trade payables amount to KRW 9,526,000,000 (2024: KRW 14,217,000,000).

## 18. Borrowings

### 18.1 Details of Borrowings

The composition of borrowings as of December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Short-term borrowings (*)	335,450,459	-	330,233,717	-
Long-term borrowings (*)	8,390,000	25,999,000	63,190,000	14,080,000
Bonds	-	-	20,000,000	-
Discount on bonds payables	-	-	(10,541)	-
Total	343,840,459	25,999,000	413,413,176	14,080,000

(\*) As of December 31, 2025, financial assets, inventories, PP&E and investment properties were provided as collaterals for borrowings from banks (refer to Note 23).

### 18.2 Details of Short-term Borrowings

(1) The composition of short-term borrowings as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)				
Lender	Type	Interest rate (%)	Dec 31, 2025	Dec 31, 2024
Nonghyup Bank	General loan	MOR+1.62	9,000,000	9,000,000
	General loan	MOR+1.63	1,940,000	1,940,000
	General loan	MOR+1.64	12,000,000	-
KEB Hana Bank	General loan	CD (3M) 1.325~1.638	35,000,000	20,000,000
	Facility Loan	Finance Bond (6M) + 1.545	10,500,000	18,750,000
KDB	General loan	CD (3M) + 1.2	10,000,000	-
	General loan	Industrial Finance Bond (3M) + 1.2	57,000,000	57,000,000
	General loan	3.71	3,000,000	8,000,000
Export-Import Bank of Korea	General loan	Fixed 3.61~3.92	23,500,000	25,800,000
	General loan	Fund Bond (3M) + 0.68~0.97	50,000,000	8,500,000
	General loan	Export-Import Bank Bond (3M) + 1.2~1.13	38,000,000	40,000,000
SH Bank	General loan	MOR + 1.74	-	13,000,000
Kookmin Bank	Import L/C	Term SOFR + 1.00	85,510,459	128,243,717
Total			335,450,459	330,233,717

## (2) Supplier Finance Arrangement Liabilities

Supplier finance arrangements are characterized by one or more financial institutions paying the amounts owed by the Group to suppliers, and the Group paying the financial institutions according to the terms of the arrangement after the suppliers receive payment. These arrangements provide the Group with extended payment terms beyond the due date of the related invoices or allow the Group's suppliers to receive payment earlier.

The Group has entered into supplier finance arrangements with several financial institutions, under which the banks acquire rights to specific trade receivables from suppliers. The following terms have been changed as a result of the arrangements, while other terms are the same as the terms of trade payables to the respective suppliers:

- The payment due date is 180 days after the invoice date and can be extended in 90-day increments.
- The trade payables acquired by the banks can no longer be offset against credits received from the suppliers.

Scope of Payment Due	Dec 31, 2025	Dec 31, 2024
Supplier Finance Arrangement Liabilities	After 180 days from the date of invoice	After 180 days from the date of invoice
Trade payables not a part of Supplier Finance Arrangement Liabilities	Within 30 days from the date of invoice	Within 30 days from the date of invoice

Carrying amount of supplier finance arrangements liabilities is as follow:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Supplier Finance Arrangement Liabilities	95,036,297	142,460,455
Supplier finance arrangement liabilities for which financial institutions have paid suppliers	85,510,459	128,243,717

There were no significant business combinations or exchange rate differences that affected the supplier finance arrangement liabilities, and these liabilities are considered short-term, so their carrying amount is a reasonable approximation of their fair value.

### (3) Significant Judgement – Supplier Finance Arrangements

The Group has entered into supplier finance arrangements, agreeing to support the cash flows of its suppliers. Under these arrangements, banks acquire rights to specific trade receivables of the suppliers. Following this acquisition, the Group can no longer make early direct payments to the suppliers and cannot offset the debt against receivables from the suppliers. The Group has judged it appropriate to derecognize the existing financial liability, trade payables, in the statement of financial position and recognize a new financial liability (short-term borrowings), considering that the terms of the liability have been substantially changed upon payment by the financial institutions.

In the statement of cash flows, the management has considered the financial institutions to be settling payments on behalf of the Group. Therefore, the amounts paid by the financial institutions are presented as cash outflows from operating activities and cash inflows from financing activities. Subsequent payments made by the Group to the financial institutions are presented as cash outflows from financing activities (refer to Note 35).

### 18.3 Details of Long-term Borrowings

The composition of long-term borrowings as of December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)				
Lender	Type	Interest rate (%)	Dec 31, 2025	Dec 31, 2024
Nonghyup Bank	General loan	3.0	380,000	570,000
	General loan	-	8,459,000	45,000,000
	General loan	3.00	6,550,000	6,200,000
KEB Hana Bank	Facility loan	CD (3M) + 1.54	-	14,250,000
KDB	Facility loan	Industrial Finance Bond (6M) +1.98	-	11,250,000
Shinhan Bank	General loan	Finance Bond (6M)+1.45%	19,000,000	-
Subtotal			34,389,000	77,270,000
Liquidity Substitution			(8,390,000)	(63,190,000)
Total			25,999,000	14,080,000

### 18.4 Details of Bonds

Details of bonds as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)					
Item	Date of issue	Maturity	Interest rate (%)	Dec 31, 2025	Dec 31, 2024
5 <sup>th</sup> Non-Guaranteed Bonds (*)	2022-06-30	2025-06-30	4.80%	-	20,000,000
Total				-	20,000,000

(\*) Regarding bonds other than the 5th private placement bonds, there is a covenant stipulating that if the benefit of time is lost for those other bonds, the benefit of time will also be lost for the 5th private placement bonds.

## 18.5 Repayment Schedule of Borrowings

The repayment schedule of borrowings as of December 31, 2025 is as follows:

(In thousands of Korean won)					
Item	Within 1 year	1~2 years	2-3 years	Over 3 years	Total
Short-term borrowings	335,450,459	-	-	-	335,450,459
Long-term borrowings	8,390,000	25,999,000	-	-	34,389,000
Bonds	343,840,459	25,999,000	-	-	369,839,459
Total	335,450,459	-	-	-	335,450,459

## 19. Other Financial Liabilities

The composition of other financial liabilities as of December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Derivatives Liabilities	-	-	609,130	-

## 20. Other Liabilities

The composition of other liabilities as of December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Advances received	4,747,743	226,793	1,927,037	-
Withholdings	106,792	-	198,550	-
VAT payable	654,720	-	-	-
Withholdings	1,070,615	-	-	-
Accrued annual leave liabilities	5,388,777	-	-	-
Long-term employee benefit liabilities	20,176,551	1,706,483	-	-
Greenhouse gas emission liability	146,349	-	85,397	-
Other	-	-	46,000	-
Total	32,291,547	1,933,276	2,256,984	-

## 21. Provisions

### 21.1 Details of Provisions

Details of provisions as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Provision for returns	5,135	17,185

### 21.2 Changes in Provisions

Changes in provisions for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		
Item	2025	2024
	Provision for returns (*)	Provision for returns (*)
Beginning	17,185	14,232
Increase	5,135	17,185
Decrease	(17,185)	(14,232)
Ending	5,135	17,185

(\*) As a subsidiary (SingGreen FS Co., Ltd.) transferred the control over the product to the customer and grants the right to return the product, the amount is recognized as a provision for returns (refund liability).

## 22. Employee Benefits

### 22.1 Details of liabilities related to defined benefit liability and other employee benefit

Net assets and liabilities related to employee benefits to be recognized in the consolidated statements of financial position as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Defined benefit liability (assets)	(4,236,813)	(250,415)
Annual paid leave allowance liabilities	5,391,436	4,958,682
Other long-term employee benefit liabilities	1,706,483	1,019,357

### 22.2 Changes in defined benefit liability and plan assets

Adjustments to defined benefit liabilities (assets) for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)						
Item	Defined benefit obligations		Fair value of plan assets		Net defined benefit liabilities (assets)	
	2025	2024	2025	2024	2025	2024
Beginning balance	62,363,755	54,494,126	(62,614,170)	(53,685,442)	(250,415)	808,684
Recognized as expense for the year:						
Current service cost	8,929,466	8,029,265	-	-	8,929,466	8,029,265
Interest cost (income)	1,821,565	1,838,204	(1,833,357)	(1,810,592)	(11,792)	27,612
Subtotal	10,751,031	9,867,469	(1,833,357)	(1,810,592)	8,917,674	8,056,877
Recognized in other comprehensive income:						
Loss (gain) on remeasurement						
- Actuarial gain or loss						
Demographic assumptions	-	(471)	-	-	-	(471)
Financial assumptions	(891,414)	3,478,126	-	-	(891,414)	3,478,126
Experience adjustment	2,820,822	1,907,382	-	-	2,820,822	1,907,382
- Loss from plan assets	-	-	(241,775)	(245,909)	(241,775)	(245,909)
Subtotal	1,929,408	5,385,037	(241,775)	(245,909)	1,687,633	5,139,128
Others						
Contributions paid	-	-	(12,130,432)	(12,749,323)	(12,130,432)	(12,749,323)
Wages paid	(8,886,218)	(7,296,685)	6,383,960	5,856,539	(2,502,258)	(1,440,146)
Transfer from affiliates	54,964	116,368	-	(116,368)	54,964	-
Transfer to affiliates	(43,396)	(202,560)	29,417	136,925	(13,979)	(65,635)
Subtotal	(8,874,650)	(7,382,877)	(5,717,055)	(6,872,227)	(14,591,705)	(14,255,104)
Ending balance	66,169,544	62,363,755	(70,406,357)	(62,614,170)	(4,236,813)	(250,415)

### 22.3 Composition of Plan Assets

The composition of plan assets as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Equity securities	2,609,965	2,796,051
Debt securities	3,952,233	2,125,027
Financial instruments such as term and periodic deposits	63,241,302	55,530,307
Transfer to National Pension	6,293	6,424
Others	596,564	2,156,361
Total	70,406,357	62,614,170

Amounts related to defined benefit liabilities as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Defined benefit obligation	66,169,544	62,363,755
Plan assets	(70,406,357)	(62,614,170)
Under-accumulated amount of plan assets	(4,236,813)	(250,415)
Reconciliation of differences between original estimates and actual values related to defined benefit obligations	(1,929,408)	(5,385,037)
Adjustment of differences between original estimates and actual values related to plan assets	241,775	245,909

### 22.4 Key Actuarial Assumptions

Details of the key assumptions used to evaluate the remeasurement components of the defined benefit plan as of December 31, 2025 and 2024 are as follows:

Item	Dec 31, 2025	Dec 31, 2024
Discount rate	3.41%~ 3.97%	3.19%~ 3.64%
Future wage growth rate	3.32%~ 6.98%	3.47%~ 6.98%

As of December 31, 2025, the weighted average maturity of the defined benefit liabilities is 4.41 ~ 5.61 years.

## 22.5 Sensitivity Analysis of Defined Benefit Obligation

The impact on the defined benefit obligation if each significant actuarial assumption as of the end of the current period were to change within its reasonably possible range is as follow:

### ① Sensitivity analysis according to discount rate

(In thousands of Korean won)			
Item	Discount rate 1% down	Dec 31, 2025	Discount rate 1% up
Present value of defined benefit obligation	69,151,942	66,169,543	63,451,136
Applicable discount rate	2.41%~ 2.97%	3.41%~ 3.97%	4.41%~ 4.97%
Increase or decrease	2,982,399	-	(2,718,407)

### ② Sensitivity analysis according to the wage growth rate

(In thousands of Korean won)			
Item	Wage growth rate 1% down	Dec 31, 2025	Wage growth rate 1% up
Present value of defined benefit obligation	63,408,814	66,169,543	69,142,609
Applicable wage growth rate	2.32%~5.98%	3.32%~ 6.98%	4.32%~7.98%
Increase or decrease	(2,760,729)	-	2,973,066

## 22.6 Impact of Defined Benefit Plan on Future Cash Flows

Meanwhile, the expected contributions to be paid in the following year (2026) related to the defined benefit plan amount to KRW 8,939,007,000.

## 23. Contingent Liabilities and Commitments

### 23.1 Details of Pending Lawsuits and Non-lawsuit Claims as Defendant

The pending lawsuits of the Group as of December 31, 2025 are as follows, and the outcome of the lawsuits is unpredictable.

(In thousands of Korean won)					
Court	Plaintiff	Defendant	Descriptions	Value	Progress
Seoul Central Court	-	Harim Corporation	Violation of the Monopoly Regulation and Fair Trade Act	-	1 <sup>st</sup> trial in progress
Seoul Central Court	Leo Burnett Co., Ltd.	Harim Corporation	Litigation for claim of service fees	104,799	1 <sup>st</sup> trial in progress
Jeonju District Prosecutors' Office (Jeongeup Branch)	-	HBC	Criminal case regarding overcompensation due to livestock species error in culling	-	1 <sup>st</sup> trial in progress
Total				104,799	

### 23.2 Status of Borrowing Limit Commitments

Commitments with financial institutions as of December 31, 2025 are as follow:

(In USD, thousands of Korean won)			
Lender	Descriptions	Amount used	Limit
KEB Hana Bank	Import L/C Guarantee	USD 11,983,312	USD 12,500,000
Woori Bank		USD 6,745,050	USD 13,840,000
KDB		USD 11,301,450	USD 30,000,000
Kookmin Bank		USD 6,680,123	USD 20,000,000
Nonghyup Bank		USD 3,276,506	USD 12,000,000
Fisheries Cooperative Federation		USD 0	USD 10,000,000
Export-Import Bank of Korea		USD 6,709,807	USD 26,000,000
Shinhan Bank		USD 4,160,448	USD 15,000,000
Jeonbuk Bank		USD 6,852,845	USD 10,000,000
IM Bank		USD 1,883,782	USD 10,000,000
Export-Import Bank of Korea		Import loan	30,500,000
	15,000,000		USD 10,500,000
	66,000,000		66,000,000
Hana Bank	Working capital & facility	45,500,000	62,250,000
	Working capital	USD 0	USD 3,000,000
KDB	Working capital & facility	70,000,000	70,000,000
Shinhan Bank	General foreign currency loan	19,000,000	19,000,000
Nonghyup Bank	Working capital	38,329,000	38,329,000
Total		USD 59,593,322	USD 195,840,000
		KRW 284,329,000	KRW 255,579,000

### 23.3 Details of Assets provided as Collateral

(1) Details of assets provided as collateral for liabilities of the Company as of the December 31, 2025 are as follows:

(In USD, thousands of Korean won)					
Collateralized assets	Carrying amount	Collateralized amount	Type	Borrowing amount	Provided to
Land, building, machinery and etc.	427,277,974	160,000,000	General Funds	45,500,000	KEB Hana Bank
		18,328,000	General Funds	10,940,000	Nonghyup Bank
		8,270,000	General Funds	USD 6,745,050	Woori Bank
		136,521,500	General Funds	70,000,000	KDB
				USD 11,301,450	
84,000,000	General Funds	15,000,000	Export-Import Bank of Korea		
Inventories	94,656,773	USD 63,700,000	Import Usance	USD 6,709,807	Export-Import Bank of Korea
				30,500,000	
				16,000,000	
Total	USD 0	USD 63,700,000		USD 24,756,307	
	KRW 521,934,747	KRW 427,919,500		KRW 187,940,000	

(2) As of Dec. 31, 2025, there are no assets pledged as collateral for related parties.

### 23.4 Details of Assets Received as Collateral

As of Dec. 31, 2025, there are no assets received as collateral.

### 23.5 Details of Guarantees provided for Others

Details of payment guarantee provided for the 3<sup>rd</sup> parties (individual farmers) other than related parties as of December 31, 2025 are as follows:

(In thousands of Korean won)				
Beneficiary	Guarantee limit	Drawn amount	Guarantee details	Issuing Bank
8 parties other than Gimje Farm	2,463,100	958,484	Debt Guarantee	Eco Capital Corporation

### 23.6 Details of Guarantees received from Others

Details of guarantees received from others as of December 31, 2025 are as follow:

(In thousands of Korean won)		
Guarantor	Guaranteed Amount (Insured Amount)	Details of Guarantee Provided
Seoul Guarantee Insurance	2,234,600	Performance Guarantee (Permit and License Bond)

### 23.7 Details of Derivative Contracts

Details of outstanding derivative financial instrument contracts as of the December 31, 2025 and 2024 are as follows:

(In USD)		
Item	Dec 31, 2025	Dec 31, 2024
Currency futures	35,000,000	125,850,000

### 23.8 Trademark License Agreement

Details of the trademark license agreement under which trademark royalties are payable as of as of the December 31, 2025 are as follows:

Contracting Party	Contract Details	
	Contract Period	Trademark Royalty
Harim Holdings	3 years from January 1, 2024	(Sales - Sales unrelated to trademark - Advertising expenses) X Royalty rate (0.4%) ※ Sales are categorized by business segment (Broiler, Processing, Bio, etc.)

## 24. Capital and Capital Surplus

### 24.1 Details of Capital

(1) The composition of capital as of December 31, 2025 and 2024 is as follow:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Number of authorized shares	200,000,000 shares	200,000,000 shares
Number of shares issued	106,209,702 shares	106,209,702 shares
Value per share	KRW500	KRW500
Capital – common share	53,104,851	53,104,851

(2) There are no changes in the number of shares issued by the controlling entity for the years ended December 31, 2025 and 2024.

### 24.2 Capital Surplus

The composition of capital surplus as of December 31, 2025 and 2024 is as follow:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Capital surplus in excess of par value (*1,2)	256,293,544	256,293,544

(\*1) On January 1, 2011, the Group adopted a proportional share allocation method for its demerger from Harim Holdings Co., Ltd. As a result, the assets and liabilities acquired from the demerged company (formerly Harim Corporation) were accounted for at carrying amount, and the carrying amount of the acquired net assets included an amount of KRW151,396,892,000 that exceeded the par value of the shares issued by the Group.

(\*2) On March 3, 2020, the Group issued new shares for the purpose of a business combination, resulting in an amount of KRW39,875,991,000 that exceeded the par value of the shares issued by the Group.

## 25. Capital Adjustment and Other Accumulated Comprehensive Income

The composition of other equity items as of December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Treasury stock (*)	(77,314)	(77,314)
Other capital adjustments	(35,473,914)	(35,443,080)
Gain or loss on overseas operation translation	211,409	297,728
Total	(35,339,819)	(35,222,666)

(\*) When allocating new shares to existing shareholders due to spin-off, the Group paid in cash the amount calculated based on the closing price traded in the stock market as of the date of suspension of trading of old shares to the shareholders of fractional shares less than a share, which were acquired by the Group.

## 26. Retained Earnings

### 26.1 Details of Retained Earnings

The composition of retained earnings as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Legal reserve (*)	1,388,922	1,388,922
Unappropriated retained earnings	49,994,386	12,776,272
Total	51,383,308	14,165,194

(\*) According to the Commercial Act, the legal reserve is required to accumulate at least 10% of the profit dividends in each settlement period until it reaches 50% of its capital. The legal reserve shall not be distributed in cash and may only be used to compensate for losses carried forward and transfer to capital by resolution of the general meeting of shareholders

Changes in retained earnings for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Beginning balance	14,165,194	33,678,149
Annual dividends	-	(3,185,615)
Net Income (loss)	38,536,311	(12,262,649)
Remeasurements for net defined benefit plans	(1,318,197)	(4,064,691)
Ending balance	51,383,308	14,165,194

## 27. Revenue from Contracts with Customers

### 27.1 Composition of Revenue Sources

The composition of revenue sources for the years ended December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)		
Item	2025	2024
Revenue from contracts with customers	1,281,207,087	1,209,958,601
Revenue from changes in fair value less cost to sell of biological assets	158,788,009	75,460,241
Total	1,439,995,096	1,285,418,842

Revenues generated from contracts with customers depending on major geographic markets, major product and service contracts, and revenue recognition timing are as follows:

(In thousands of Korean won)		
Item	2025	2024
(1) Major geographic markets		
Republic of Korea	1,253,034,559	1,175,476,563
United States of America	5,735,742	6,234,241
Vietnam	19,402,791	25,735,763
Canada	1,148,073	697,450
Japan	622,632	495,169
Others	1,263,290	1,319,415
Total	1,281,207,087	1,209,958,601
(2) Major product and service lines		
Revenue from sale of products	1,141,750,802	1,089,567,385
Revenues from sale of goods	101,093,737	85,071,678
Other sales	38,362,548	35,319,538
Total	1,281,207,087	1,209,958,601
(3) Timing of revenue recognition		
Fulfillment at one point	1,280,294,265	1,209,147,783
Fulfillment over time	912,822	810,818
Total	1,281,207,087	1,209,958,601

The above table does not include income from changes in fair value less cost to sell of biological assets.

## 28. Greenhouse Gas Emission Liabilities

### 28.1 Greenhouse gas emission rights held for the fulfillment of obligations

#### 28.1.1 The number of emission rights allocated free of charge for the 3<sup>rd</sup> planning period (2021-2025)

The number of emission rights allocated free of charge for the 3<sup>rd</sup> planning period (2021-2025) as of Dec 31, 2024 is as follows.

(Unit: Ton (tCO <sub>2</sub> -eq))						
Item	2021	2022	2023	2024	2025	Total
Free allotted emission rights	77,180	77,180	77,180	76,456	76,456	384,452

#### 28.1.2 Changes and carrying amounts of emission rights

Changes and carrying amounts of emission rights as of December 31, 2025 are as follows:

Item	(Unit: Ton (tCO <sub>2</sub> -eq), In thousands of Korean won)					
	2023		2024		2025	
	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount
Free allocation at beginning of the year	77,180	-	76,456	-	76,456	-
Additional allocation (*)	15,210	-	15,210	-	15,170	-
Purchase (Sell)	7,981	73,660	9,333	94,540	-	-
Submit to the government	(100,371)	(73,660)	(100,999)	(94,540)	(105,698)	-
Ending balance	-	-	-	-	(14,072)	-

(\*) Due to the addition of the Bio Headquarters (Iksan, Jeongeup), Processing Plant 2 and Livestock Processing Facility, the Group plans to apply for additional free allocation in 2025. The estimated emissions for 2025 are 105,698 tons, and the shortfall of 14,072 tons is expected to be purchased from the market.

#### 28.1.3 Provision of Collaterals

There are no emission rights provided as collaterals as of Dec 31, 2025.

## 28.2 Emission Liability

### 28.2.1 Estimated greenhouse gas emissions for the compliance year

as of Dec 31, 2025, the Group's estimated greenhouse gas emissions for 2025 are 105,698 tons (tCO<sub>2</sub>-eq). An emissions allowance liability has been recognized for the shortfall of 14,072 tons (tCO<sub>2</sub>-eq), reflecting the year-end market price.

## 28.2.2 Changes in emission liabilities and the carrying amount

Changes in emission liabilities for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Beginning balance	85,397	79,078
Transfer	155,492	85,397
Reversal	(94,540)	(79,078)
Ending balance	146,349	85,397

## 29. Selling and Administrative Expenses

The composition of selling and administrative expenses for the years ended December 31, 2023 and 2022, is as follows:

(In thousands of Korean won)		
Item	2025	2024
Wage	45,395,847	39,515,658
Retirement benefits	3,029,185	2,707,885
Employee benefits	7,357,465	5,627,435
Travel and transportation	981,964	810,964
Communications	662,891	564,552
Water and utilities	623,411	45,940
Electricity	-	559,248
Taxes and dues	2,092,372	4,252,428
Rents	2,071,296	1,914,956
Repairs	2,456,555	1,079,499
Insurance premiums	334,117	652,316
Entertainment	500,871	454,684
Advertising	5,007,269	5,136,733
Freight	56,992,819	57,210,324
Commissions	14,009,442	30,061,530
Vehicle maintenance	1,499,520	1,305,020
Consumables	2,297,865	2,310,416
Books and printing	108,189	129,573
Education and training	105,423	263,883
Sales promotion	670,295	333,945
Service fees	17,441,431	-
Depreciation	5,649,452	5,959,101
Storage	802,601	983,672
Ordinary development	1,164,620	1,061,878
Bad debt expenses (reversal)	(81,763)	362,068
Amortization of intangible assets	217,928	260,759
Amortization of right-of-use assets	2,582,646	2,576,612
Depreciation of investment properties	687,062	687,062
Total	174,660,773	166,828,141

### 30. Expenses by Nature

#### 30.1 Expenses by Nature

Expenses (including cost of sales and selling & administrative expenses) by nature for the years ended December 31, 2025 and 2024 are as follows:

(1) 2025

(In thousands of Korean won)			
Item	Selling & administrative expenses	Cost of sales	Total
Changes in products and work in progress	-	12,873,270	12,873,270
Amount of raw materials used	-	810,954,325	810,954,325
Cost of goods sold	-	163,836,806	163,836,806
Employee benefits	55,782,497	121,216,004	176,998,501
Depreciation	5,649,452	35,298,148	40,947,600
Depreciation of investment properties	687,062	41,536	728,598
Amortization of intangible assets	217,928	12,278	230,206
Amortization of right-of-use assets	2,582,646	1,038,770	3,621,416
Depreciation of biological assets	-	21,501,244	21,501,244
Other expenses	109,741,188	50,880,941	160,622,129
Total	174,660,773	1,217,653,322	1,392,314,095

(2) 2024

(In thousands of Korean won)			
Item	Selling & administrative expenses	Cost of sales	Total
Changes in products and work in progress	-	(1,540,141)	(1,540,141)
Amount of raw materials used	-	627,677,453	627,677,453
Cost of goods sold	-	75,055,262	75,055,262
Employee benefits	47,850,978	103,685,246	151,536,224
Depreciation	5,959,101	37,142,475	43,101,576
Depreciation of investment properties	687,062	-	687,062
Amortization of intangible assets	260,759	16,808	277,567
Amortization of right-of-use assets	2,576,612	1,015,378	3,591,990
Depreciation of biological assets	-	21,910,401	21,910,401
Other expenses	109,493,629	225,115,162	334,608,791
Total	166,828,141	1,090,078,044	1,256,906,185

### 31. Other Operating Income

#### 31.1 Other Operating Revenue

The composition of other income for the years ended December 31, 2025 and 2024 is as follows.

(In thousands of Korean won)		
Item	2025	2024
Gain on disposal of investment properties	-	9,061
Gain on disposal of PP&E	2,328,080	299,567
Gain on foreign currency transaction	187,118	-
Gain on foreign currency translation	180,139	-
Rents income	34,179	34,101
Gain on disposal of right-of-use assets	19,419	28,929
Miscellaneous income	3,560,470	9,453,245
Total	6,309,405	9,824,903

#### 31.2 Other Operating Expenses

The composition of other operating expenses for the years ended December 31, 2025 and 2024 is as follows.

(In thousands of Korean won)		
Item	2025	2024
Loss on disposal of PP&E	285,324	90,481
Impairment loss on PP&E	564	-
Loss on disposal of intangible assets	-	1
Loss on foreign currency transaction	258,230	-
Loss on foreign currency translation	19,333	-
Other bad debt allowance	217,134	-
Donations	380,382	530,120
Loss on disposal of right-of-use assets	72,040	-
Miscellaneous losses	375,602	1,105,401
Total	1,608,609	1,726,003

## 32. Financial Income and Financial Expenses

### 32.1 Financial Income

The composition of financial income for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Interest income	2,766,884	3,227,065
Gain on foreign currency transaction	8,155,223	745,001
Gain on foreign currency translation	195,655	9,541
Gain on trading of derivatives	17,011,025	13,828,440
Gain on valuation of derivatives	1,687,130	-
Gain on valuation of financial assets	254,108	-
Total	30,070,025	17,810,047

### 32.2 Financial Expenses

The composition of financial expenses for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Interest expense	17,585,607	21,037,215
Loss on foreign currency transaction	1,744,597	9,030,713
Loss on foreign currency translation	2,435,107	10,001,589
Loss on trading of derivatives	13,781,770	32,428,925
Loss on valuation of derivatives	-	609,131
Loss on valuation of financial assets	11,992	-
Total	35,559,073	73,107,573

### 33. Income Tax Expenses

#### 33.1 Composition of Income Tax Expenses

The composition of income tax expenses for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Current income tax	3,367,227	329,966
Adjustments recognized in the current period for current income tax for the prior periods	1,631	(289,585)
Changes in deferred income tax due to the occurrence and disappearance of temporary differences, etc.	1,487,896	543,498
Changes in deferred income tax due to tax losses carried forward	2,920,544	(8,009,514)
Total income tax expense	7,777,298	(7,425,635)
Income tax expense related to items recognized as other than profit or loss	377,255	1,076,066
Income tax expense	8,154,553	(6,349,569)

#### 33.2 Relationship between Income Tax Expense and Accounting Income

The relationship between income tax expense and accounting income for the years ended December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)		
Item	2025	2024
Net income before tax	46,892,749	(18,685,968)
Tax burden according to applicable tax rate	10,704,320	(3,949,056)
Adjustments:		
Income tax effect of non-taxable income and non-deductible expenses for tax purposes	135,299	(1,441,316)
Tax credits and tax reductions	(2,552,114)	(291,646)
Effect of temporary difference recognized related to income tax for the prior periods	16,852	(523)
Effect of change in tax rate	(160,235)	(10,305)
Income tax refund	1,631	(289,585)
Others	8,800	(367,138)
Income tax expense	8,154,553	(6,349,569)
Average effective tax rate	17.39%	(*)

(\*) The average effective tax rate was not calculated as there was net loss before income tax expense for the prior period.

### 33.3 Income Tax Effect directly reflected in other comprehensive income and capital

Current income tax and deferred income tax related to items recognized as other than current income or loss for the years ended December 31, 2025 and 2024 are as follows.

(In thousands of Korean won)		
Item	2025	2024
Current income tax:		
- Remeasurements for defined benefit plans (*)	377,255	1,076,066
Income tax expense related to items recognized as other than the current profit or loss	377,255	1,076,066

(\*) Income tax related to the remeasurements of the defined benefit plan was recognized in other comprehensive income.

### 33.4 Timing of collection and payment of deferred income tax assets and liabilities

Times of collection and payment of deferred income tax assets and liabilities are as follows:

(In thousands of Korean won)		
Item	2025	2024
Deferred income tax assets		
Deferred income tax assets to be collected after 12 months	32,812,312	34,077,734
Deferred income tax assets to be collected within 12 months	2,642,769	2,224,626
Sub-total	35,455,081	36,302,360
Current income tax liabilities		
Deferred income tax liabilities to be collected after 12 months	(20,044,715)	(17,837,964)
Deferred income tax liabilities to be collected within 12 months	(2,596,881)	(1,242,471)
Sub-total	(22,641,596)	(19,080,435)
Net amount of deferred income tax assets (liabilities)	12,813,485	17,221,925

### 33.5 Changes in deferred income tax assets (liabilities)

(1) Changes in deferred income tax assets (liabilities) for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)							
Item	Beginning	Beginning adjustment	Reflection in profit or loss	Directly reflected in capital	Ending balance		
					Net amount	Deferred tax assets	Deferred tax liabilities
PP&E	(1,005,393)	-	(204,588)	-	(1,209,981)	1,087,591	(2,297,573)
Allowance for bad debt	243,258	-	(215,630)	-	27,628	27,627	-
Others	855,974	367	353,420	-	1,209,761	3,527,227	(2,317,466)
Defined benefit obligation	19,115	-	(391,582)	377,255	4,788	14,527,631	(14,522,842)
Allowance for inventory valuation	609,700	-	297,849	-	907,549	907,549	-
Gain on valuation of biological assets	(1,033,658)	-	(1,125,672)	-	(2,159,330)	-	(2,159,329)
Gain on valuation of derivatives	127,308	-	(498,477)	-	(371,169)	-	(371,169)
Investment in subsidiaries	-	-	72,428	-	72,428	72,428	-
Long-term deposit present value discount difference.	75,068	-	(17,093)	-	57,975	57,976	-
Gain on insurance adjustment	(998,845)	-	25,629	-	(973,216)	-	(973,217)
Accrued expenses (long-term employee benefits)	270,142	-	161,090	-	431,232	431,232	-
Greenhouse gas emission liabilities	17,848	-	14,349	-	32,197	32,197	-
Tax loss carried forward	17,763,949	(9,546)	(2,988,245)	-	14,766,158	14,766,158	-
Tax credit carried forward	277,459	-	(259,994)	-	17,465	17,465	-
Deferred income tax before off-set	17,221,925	(9,179)	(4,776,516)	377,255	12,813,485	35,455,081	(22,641,596)
Off-set effect	-	-	-	-	-	(22,641,596)	22,641,596
Net deferred income tax assets (liabilities)	17,221,925	-	-	-	12,813,485	12,813,485	-

## ② 2024

(In thousands of Korean won)							
Item	Beginning	Beginning adjustment	Reflection in profit or loss	Directly reflected in capital	Ending balance		
					Net amount	Deferred tax assets	Deferred tax liabilities
PP&E	(1,160,486)	-	155,091	-	(1,005,395)	1,153,506	(2,158,901)
Allowance for bad debt	108,588	456	134,214	-	243,258	243,258	-
Others	672,882	1	185,702	-	858,585	2,755,294	(1,896,709)
Defined benefit obligation	184,958	-	(1,244,517)	1,076,066	16,507	13,008,835	(12,992,328)
Allowance for inventory valuation	324,804	-	284,898	-	609,702	609,702	-
Gain on valuation of biological assets	205,140	-	(1,238,797)	-	(1,033,657)	-	(1,033,657)
Gain on valuation of derivatives	(57,082)	-	184,389	-	127,307	127,307	-
Long-term deposit present value discount difference.	85,470	-	(10,402)	-	75,068	75,068	-
Gain on insurance adjustment	(1,073,133)	-	74,293	-	(998,840)	-	(998,840)
Accrued expenses (long-term employee benefits)	188,723	-	81,419	-	270,142	270,142	-
Greenhouse gas emission liabilities	16,527	-	1,321	-	17,848	17,848	-
Tax loss carried forward	10,246,066	-	7,517,875	-	17,763,941	17,763,941	-
Tax credit carried forward	13,452	-	264,007	-	277,459	277,459	-
Deferred income tax before off-set	9,755,909	457	6,389,493	1,076,066	17,221,925	36,302,360	(19,080,435)
Off-set effect	-	-	-	-	-	(19,080,435)	19,080,435
Net deferred income tax assets (liabilities)	9,755,909	-	-	-	-	17,221,925	-

(2) Deferred income tax expenses due to occurrence and disappearance of temporary differences for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Deferred income tax assets at the end of the year	12,813,485	17,221,925
Deferred income tax assets at the beginning of the year	17,221,925	9,755,909
Deferred tax expense due to occurrence and disappearance of temporary differences, etc.	4,408,440	(7,466,016)

(3) The income tax effect of temporary differences as of December 31, 2025 was calculated by applying the expected future tax rate for the fiscal year in which the temporary differences are extinguished.

(4) Deferred income tax assets and deferred income tax liabilities of the Group are offset and presented in the statement of financial position only when they relate to income taxes levied by the same taxation authority and the Group has a legally enforceable right and intention to offset current income tax assets and current income tax liabilities.

(5) Deferred income tax assets and liabilities and current income tax assets and liabilities based on the total amount before offset as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Deferred income tax assets	35,455,081	36,302,360
Deferred income tax liabilities	(22,641,596)	(19,080,435)
Total	12,813,485	17,221,925
Current income tax assets	285,861	334,340
Current income tax liabilities	(1,479,079)	(150,789)
Total	(1,193,218)	183,551

### 33.6 Details of temporary differences unrecognized as deferred income tax assets (liabilities)

Details of temporary differences unrecognized as deferred income tax assets (liabilities) as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)			
Item	2025	2024	Reason
Investment in subsidiaries	(4,223,596)	351,563	No disposal plan
Investment in subsidiaries	(788,756)	(1,158,855)	No disposal plan Consideration of exclusion from gross income of revenue dividends
Total	(5,012,352)	(807,292)	

## 34. Earnings per share

### 34.1 Calculation details of earnings per share

Calculation details of basic earnings per share for the years ended December 31, 2025 and 2024 are as follows:

(In Korean won)		
Item	2025	2024
Net income attributable to common shares	38,536,311,791	(12,262,648,700)
Weighted average number of common shares issued and outstanding (*)	106,187,182 shares	106,187,182 shares
Basic earnings per share	363	(115)

(\*) The weighted average number of common shares issued and outstanding is the number of common shares adjusted to the number of treasury shares acquired during the accounting period or newly issued common shares considering the weights according to each circulation period to the number of common shares issued outstanding at beginning of the year.

### 34.2 Calculation details of diluted earnings per share

Basic earnings per share and diluted earnings per share are the same as the Group has no dilutive potential common shares.

### 35 Statement of Cash Flows

#### 35.1 Adjustments of liabilities arising from financial activities

Adjustments of liabilities arising from financial activities for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)								
Item	Beginning	Cash flow (*)	Non-cash change				Change	Ending
			FX rate change	Transfer to current portion	Interest expense amortization	Effect of Foreign Operations Translation		
Current liabilities								
Short-term borrowings	330,233,717	(21,022,719)	2,239,460	-	-	-	24,000,000	335,450,458
Current portion of long-term borrowings	63,190,000	(41,812,500)	-	11,012,500	-	-	(24,000,000)	8,390,000
Current bonds	19,989,459	(20,000,000)	-	-	10,541	-	-	-
Current portion of lease liabilities	2,387,388	(2,825,712)	-	469,197	357,797	(906)	1,800,500	2,188,264
Non-current liabilities								
Long-term borrowings	14,080,000	22,931,500	-	(11,012,500)	-	-	-	25,999,000
Bonds	-	-	-	-	-	-	-	-
Non-current lease liabilities	1,777,509	(506,199)	-	(469,197)	-	-	1,477,860	2,279,973
Total	431,658,073	(63,235,630)	2,239,460	-	368,338	(906)	3,278,360	374,307,695

(\*) The cash flows from short-term borrowings include KRW 155,400,000,000 paid by financial institutions to suppliers under supplier finance arrangements (increase (decrease) in trade payables in operating activities and cash inflow from financing activities) and KRW 174,940,000,000 paid by the Group to financial institutions at the maturity date of the supplier finance arrangement liabilities.

② 2024

(In thousands of Korean won)							
Item	Beginning	Cash flow (*)	Non-cash change				Ending
			FX rate change	Transfer to current portion	Interest expense amortization	Change	
<b>Current liabilities</b>							
Short-term borrowings	300,048,309	11,607,135	18,578,274	-	-	-	330,233,718
Current portion of long-term borrowings	21,784,000	(16,784,000)	-	63,190,000	-	(5,000,000)	63,190,000
Current bonds	-	-	-	19,978,996	10,463	-	19,989,459
Current portion of lease liabilities	2,194,812	(2,978,778)	-	746,396	298,234	2,126,725	2,387,389
<b>Non-current liabilities</b>							
Long-term borrowings	71,070,000	6,200,000	-	(63,190,000)	-	-	14,080,000
Bonds	19,968,900	-	-	(19,978,996)	10,096	-	-
Non-current lease liabilities	2,004,698	-	-	(746,396)	-	519,208	1,777,510
Total	417,070,719	(1,955,643)	18,578,274	-	318,793	(2,354,067)	431,658,076

(\*) The cash flows from short-term borrowings include KRW 176,417,000,000 paid by financial institutions to suppliers under supplier finance arrangements (increase (decrease) in trade payables in operating activities and cash inflow from financing activities) and KRW 182,648,000,000 paid by the Group to financial institutions at the maturity date of the supplier finance arrangement liabilities.

### 35.2 Significant Non-cash Investing and Financing Activities

The significant non-cash transactions arising from investing and financing activities for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Transfer from construction in progress	29,549,399	18,212,795
Reclassification of borrowings to current portion	11,012,500	83,168,996

### 36. Related Parties

#### 36.1 Status of related parties with transactions

(1) Details of the companies that have a special relationship with the Group as of December 31, 2025 are as follows:

Category	Company Name
Controlling Entity	Harim Holdings Co., Ltd.
Other related parties	Related parties of Harim Holdings Co., Ltd.

### 36.2 Transactions such as sale and purchase with related parties

The Group engages in transactions with related parties, such as sale of goods and provision of services, and transactions such as sale and purchase with related parties for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)							
Category	Company	Sales	Other income	Purchase of raw materials	Purchase of goods	Other expenses	Acquisition of PP&E
Controlling Entity	Harim Holdings Co., Ltd.	298,119	-	-	-	5,781,587	-
	Excello Equine R&D Center	4,306	-	-	-	-	-
Other related parties	Glyde Co., Ltd.	69,174	-	174	248	-	-
	Donglim Corporation	5,363	-	-	-	40,025	210,000
	Maxican Co., Ltd.	13,462,485	-	-	-	348	-
	Sunjin Corporation	310,738	-	386,806	730	1,200	-
	Sunjin FS Co., Ltd.	243,254	-	10,209	120,882	960	-
	Sunjin Farm Co., Ltd.	1,272	-	-	-	-	-
	Sunjin Ham Co., Ltd.	426,156	-	-	-	-	-
	Ceti Co., Ltd.	-	-	-	-	102,675	-
	Aegree Robotek	-	-	-	-	-	7,872
	Ever Miracle Co., Ltd.	-	-	58,688	4,020	310,367	-
	Eco Capital Co., Ltd.	8,899	384,953	-	-	-	-
	ND Co., Ltd.	176,490	-	-	-	-	-
	N Bicorn Co., Ltd.	166,348	-	-	-	69,070	-
	NS Shopping Co., Ltd.	3,680,055	-	-	-	958,599	-
	ORPUM Co., Ltd.	4,632,969	31,763	403,192	81,543	144,205	-
	Charm Trading Co., Ltd.	6,917,589	-	2,132,636	38,689	1,391	-
	Farmsco Co., Ltd.	1,914,756	-	284,296	2,248,312	19,664	-
	POSSM Co., Ltd.	13,804	297	-	-	-	-
	Harim Industry Co., Ltd.	5,666,580	30,880	877,976	2,056,582	3,610,648	-
	Harim Pet Food Co., Ltd.	1,260,357	-	-	9,367	-	-
	Harim Food Co., Ltd.	264	-	-	-	-	-
	Hangang Food Co., Ltd.	38,938,136	16,842	1,948,658	-	-	-
	PAN OCEAN TRADING & LOGISTICS PTE. LTD.	-	-	22,847,738	-	-	-
	Sunjin Hanmaeul Co., Ltd.	20,686	-	-	-	-	-
	Soonwoori Co., Ltd.	6,052	510	-	28,595	425	-
	Iksan Co., Ltd.	-	-	-	-	-	108,724
	Joowonsan Ducks Co., Ltd.	697,264	-	11,731	4,363,704	10,988	-
	Harim Animal Clinic Center	2,075	-	-	-	69,063	-
Jeil Feed Co., Ltd.	1,625,634	-	4,988,330	5,817,351	819,878	-	
G-Fore Co., Ltd.	1,664	-	-	-	-	-	
Pan Ocean Co., Ltd.	174,498	-	-	-	-	-	
Korea Thumb Vet Co., Ltd.	180,647	-	14,706,277	-	178,796	-	
Total		80,905,634	465,245	48,656,711	14,770,023	12,119,889	326,596

② 2024

(In thousands of Korean won)									
Category	Company	Sales	Other income	Disposal of PP&E	Purchase of raw materials	Purchase of goods	Other expenses	Acquisition of PP&E	
Controlling Entity	Harim Holdings Co., Ltd.	426,161	-	-	-	-	4,947,110	-	
Other related parties	Excello Equine R&D Center	3,603	-	-	-	-	-	-	
	Glyde Co., Ltd.	252,457	-	-	-	-	40,598	-	
	Donglim Corporation	2,988	-	-	-	-	145,552	855,083	
	DD F&B Co., Ltd.	8,300	-	-	-	-	-	-	
	Maxican Co., Ltd.	4,719,985	-	-	-	-	263	-	
	Sunjin Corporation	334,009	-	-	253,411	-	1,200	-	
	Sunjin FS Co., Ltd.	151,939	-	-	21,249	213,628	7,621	-	
	Sunjin Farm Co., Ltd.	32,869	-	-	-	-	-	-	
	Sunjin Ham Co., Ltd.	464,027	-	-	-	-	-	-	
	Ceti Co., Ltd.	-	-	-	-	-	-	-	590,000
	Ever Miracle Co., Ltd.	-	-	-	193,698	6,864	280,188	-	
	Eco Capital Co., Ltd.	4,808	69,041	-	-	-	-	-	
	ND Co., Ltd.	190,800	-	-	-	-	-	-	
	N Bicorn Co., Ltd.	116,030	-	-	-	-	45,691	-	
	NS Shopping Co., Ltd.	4,533,590	-	-	-	-	984,815	-	
	ORPUM Co., Ltd.	5,862,521	46,604	-	1,728,374	121,633	-	-	
	Charm Trading Co., Ltd.	6,955,208	-	-	2,395,177	34,520	13,480	-	
	Farmsco Co., Ltd.	1,903,664	-	-	35,883	854,922	26,817	-	
	POSSM Co., Ltd.	14,637	-	-	-	-	-	-	
	Harim Industry Co., Ltd.	2,488,560	297,971	-	563,661	3,373,918	858,099	-	
	Harim Distribution Co., Ltd.	3,744,429	-	-	-	-	-	-	
	Harim Pet Food Co., Ltd.	1,316,637	-	-	-	7,637	-	-	
	Harim Food Co., Ltd.	1,659	-	-	-	-	-	-	
	Hangang Food Co., Ltd.	36,152,459	16,842	-	1,465,898	312,675	6,056	-	
	PAN OCEAN TRADING & LOGISTICS PTE. LTD.	-	-	-	24,963,204	-	-	-	
	Sunjin Hanmaeul Co., Ltd.	13,795	-	-	-	-	-	-	
	Soonwoori Co., Ltd.	3,723	-	-	-	2,197	2,190	-	
	Iksan Co., Ltd.	-	-	713,517	-	-	-	-	
	Joowonsan Ducks Co., Ltd.	683,095	-	-	2,528	4,273,942	2,208	-	
	Farmsco Bio Inte Co., Ltd.	2,999	-	-	-	-	-	-	
Harim Animal Clinic Center	642	-	-	-	-	288,688	-		
Jeil Feed Co., Ltd.	1,513,447	-	-	802,347	494,048	1,082,903	-		
G-Fore Co., Ltd.	1,307	-	-	-	-	-	-		
Pan Ocean Trading & Logistics Pte. Ltd. (Korea Office)	918	-	-	-	-	-	-		
Pan Ocean Co., Ltd.	107,188	-	-	-	-	-	-		
Korea Thumb Vet Co., Ltd.	158,643	-	-	14,058,672	-	151,212	-		
Total		72,167,097	430,458	713,517	46,484,102	9,695,984	8,884,691	1,445,083	

### 36.3 Details of Financial Transaction with Related Parties

Details of financial transaction with related parties for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)			
Category	Company	Financial transaction	
		Loan	Correction
Others	Eco Capital Co., Ltd.	3,000,000	2,000,000

② 2024

(In thousands of Korean won)			
Category	Company	Dividend payment	Financial transaction
			Loan
Controlling entity	Harim Holdings Co., Ltd.	1,827,853	-
Others	Eco Capital Co., Ltd.		5,000,000
	Major Management and Others	48,498	-

### 36.4 Details of Receivables from and Payables to Related Parties

Details of receivables from and payables to related parties as of December 31, 2025 and 2024 are as follows:

① Dec 31, 2025

(In thousands of Korean won)							
Category	Company	Receivables				Payables	
		Trade receivable	Security deposits	Account receivables	Short-term loans	Trade payables	Account payables
Controlling entity	Harim Holdings Co., Ltd.	19,823	4,671,810	1,089,636	-	-	2,768,745
Other related parties	Glyde Co., Ltd.	261	-	-	-	-	-
	Donglim Corporation	-	-	-	-	-	920
	Maxican Co., Ltd.	319	-	-	-	-	3,487
	Sunjin Corporation	29,990	-	-	-	24,992	-
	Sunjin FS Co., Ltd.	18,143	-	-	-	24,728	-
	Sunjin Ham Co., Ltd.	99,042	-	-	-	-	-
	Ever Miracle Co., Ltd.	-	-	-	-	1,750	31,919
	Eco Capital Co., Ltd.	-	-	-	6,000,000	-	106,792
	N Bicorn Co., Ltd.	9,572	-	-	-	-	-
	NS Shopping Co., Ltd.	77,004	-	-	-	-	-
	ORPUM Co., Ltd.	644,726	-	1,685	-	2,830	34,758
	Charm Trading Co., Ltd.	403,627	-	-	-	112,398	-
	Farmsco Co., Ltd.	191,742	-	-	-	5,905	-
	Harim Industry Co., Ltd.	666,272	-	699	-	324,819	343,847
	Harim Pet Food Co., Ltd.	124,674	-	-	-	679	-
	Hangang Food Co., Ltd.	5,813,850	-	1,544	-	193,621	-
	Soonwoori Hanwoo Co., Ltd.	92	-	-	-	12,675	-
	Joowonsan Ducks Co., Ltd.	34,924	-	-	-	255,191	11,074
	Harim Animal Clinic Center	-	-	-	-	-	4,580
	Jeil Feed Co., Ltd.	99,901	1,541,262	-	-	2,773,676	12,736
Korea Thumb Vet Co., Ltd.	12,303	-	-	-	-	1,310,286	
Total		8,246,265	6,213,072	1,093,564	6,000,000	3,733,264	4,629,144

② Dec 31, 2024

(In thousands of Korean won)							
Category	Company	Receivables				Payables	
		Trade receivable	Security deposits	Account receivables	Short-term loans	Trade payables	Account payables
Controlling entity	Harim Holdings Co., Ltd.	30,151	4,671,810	1,089,636	-	-	2,494,378
Other related parties	Excello Equine R&D Center	88	-	-	-	-	-
	Glyde Co., Ltd.	22,584	-	-	-	-	-
	Maxican Co., Ltd.	22,189	-	-	-	-	-
	Sunjin Corporation	30,043	-	-	-	13,718	-
	Sunjin FS Co., Ltd.	7,035	-	-	-	13,256	-
	Sunjin Farm Co., Ltd.	1,720	-	-	-	-	-
	Ever Miracle Co., Ltd.	-	-	-	-	674	40,126
	Eco Capital Co., Ltd.	-	-	-	5,000,000	-	198,551
	N Bicorn Co., Ltd.	8,206	-	-	-	-	-
	NS Shopping Co., Ltd.	127,813	-	-	-	-	-
	ORPUM Co., Ltd.	291,046	-	23,685	-	18,796	-
	Charm Trading Co., Ltd.	250,807	-	-	-	195,077	13,385
	Farmsco Co., Ltd.	10,199	-	-	-	2,913	-
	Harim Industry Co., Ltd.	166,692	-	67,238	-	207,343	372,964
	Harim Pet Food Co., Ltd.	105,394	-	-	-	643	-
	Hangang Food Co., Ltd.	5,567,799	-	1,544	-	86,687	-
	Soonwoori Hanwoo Co., Ltd.	129	-	-	-	-	-
	Joowonsan Ducks Co., Ltd.	47,134	-	-	-	246,675	125
	Harim Animal Clinic Center	-	-	-	-	-	36,139
Jeil Feed Co., Ltd.	93,058	1,583,255	-	-	71,286	157,832	
Korea Thumb Vet Co., Ltd.	11,666	-	-	-	818,774	18,333	
Total		6,793,753	6,255,065	1,182,103	5,000,000	1,675,842	3,331,833

**36.5 There are no guarantees and collaterals provided by the Group to related parties as of Dec 31, 2025.**

**36.6 There are no guarantees received from related parties as of Dec 31, 2025.**

### **36.7 Remuneration for Major Management**

The Group has determined that registered officers with important authorities and responsibilities for the planning, operation and control of its activities are the major management, and the remunerations paid for major management for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Short-term employee wage	3,391,468	2,692,951
Other long-term employee benefits	796	213
Retirement benefits	234,852	229,482
Total	3,627,116	2,922,646

### **37. Operating Segments**

The Group has three (3) reporting segments, which are strategic business units. These strategic business units offer different products and are operated separately because the technology and marketing strategies required for each business unit are different. The chief operating decision-maker reviews internal reporting information for each strategic business unit at least quarterly.

#### **37.1 Three (3) Reporting Segments, which are strategic business units**

The Group's reporting segments are as follows:

- ① Broiler Division: Sales of live poultry slaughtering and simple processing.
- ② Meat Processing Division: Sales of secondary processing of fresh meat.
- ③ Other Division: Sales of feed, hatching, and food service businesses, etc.

### 37.2 Financial Information by Operating Segment

The information on reporting segments of the Group for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)				
Item	Chicken meat	Meat processing	Others	Total
External revenue	1,079,873,598	229,686,364	130,435,134	1,439,995,096
Gain or reporting segments	34,074,026	(24,742,756)	38,349,731	47,681,001
Tangible and intangible assets of reporting segments	288,595,754	79,280,976	62,020,006	429,896,736
Depreciation and amortization on reporting segments (*)	27,450,554	7,595,150	6,132,102	41,177,806
Depreciation on biological assets of reporting segments	21,501,244	-	-	21,501,244
Borrowings for reporting segments	187,372,276	54,606,165	127,861,018	369,839,459

(\*) Depreciation and amortization on PP&E and intangible assets

② 2024

(In thousands of Korean won)				
Item	Chicken meat	Meat processing	Others	Total
External revenue	903,707,609	248,006,786	133,704,447	1,285,418,842
Gain or reporting segments	38,075,141	(11,247,278)	1,684,795	28,512,658
Tangible and intangible assets of reporting segments	327,329,479	70,928,202	34,361,374	432,619,055
Depreciation and amortization on reporting segments (*)	32,336,491	7,449,143	3,593,509	43,379,143
Depreciation on biological assets of reporting segments	21,910,401	-	-	21,910,401
Borrowings for reporting segments	226,825,832	50,735,795	149,931,549	427,493,176

(\*) Depreciation and amortization on PP&E and intangible assets

The Group's revenue is diversified across a large number of customers, and there are no specific customers upon whom the Group depends for 10% or more of its total revenue. Accordingly, segment information regarding geographical areas and major customers is not disclosed.

### **38. Events After the Reporting Period**

Based on the resolution of the Board of Directors on January 22, 2026, the Group decided to merge with its subsidiary, HBC Agricultural, through an absorption merger to increase management efficiency and maximize synergy. The merger is expected to be completed in March 2026, and the key details are as follows.

Merged Entity: HBC Agricultural

Merger Method: Absorption merger of HBC Agricultural by the Company (Small-scale merger)

Merger Ratio: The Company : HBC Agricultural = 1 : 0 (Merger without issuance of new shares)

March 31, 2026 (Expected)

The aforementioned merger is a merger between entities under common control within the Group; therefore, it has no impact on the consolidated financial statements.



### 3. Major Descriptions on Audit

Classification	Details					
Overall audit plan (start phase)	Period					days
	Contents					
Major information on field audit	Period		Input			Descriptions on major audit works
			Full time	Part time		
		days	persons		persons	
		days	persons		persons	
Due diligence on inventories (attendance)	Time					day
	Location					
	Target					
Due diligence on financial assets (attendance)	Time					day
	Location					
	Target					
External investigations	Financial transactions		Payables & Receivables		Investigation through lawyers	
	Other investigation	Inventories stored in other places				
Communications with those charged with governance	Communication		Times			
	Period					
Use of external experts	Activity					
	Period					day

### 4. Communications with Auditor (Audit Committee)

No.	Date	Attendees	Method	Descriptions on major discussions
1				
2				
3				
4				